FEDERAL REGISTER

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Washington, Tuesday, February 17, 1959

Title 7—AGRICULTURE

Chapter IX—Agricultural Marketing Service (Marketing Agreements and Orders), Department of Agriculture

PART 1003—DOMESTIC DATES PRODUCED OR PACKED IN A DESIGNATED AREA OF CALIFORNIA

Further Revision of Free, Restricted and Withholding Percentages for Deglet Noor Dates for the 1958–59 Crop Year

Pursuant to the applicable provisions of Marketing Agreement No. 127, as amended, and Order No. 103, as amended (7 CFR Part 1003; 23 F.R. 6904), regulating the handling of domestic dates produced or packed in a designated area of California, hereinafter referred to as the "order," effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), hereinafter referred to as the "act," the Date Administrative Committee has unanimously recommended that, for the 1958–59 crop year and with respect to marketable dates of the Deglet Noor variety, the present free percentage be increased from 85 to 87 percent, and the related restricted and withholding percentages be revised from 15 percent and 17.6 percent to 13 percent and 14.9 percent, respectively. The recommendation was submitted during the latter part of January 1959.

Initial free, restricted, and withholding percentages of 74, 26, and 35.1, respectively, for the 1958–59 crop year were established for marketable dates of the Deglet Noor variety by order published in the FEDERAL REGISTER on August 23, 1958 (23 F.R. 6547), and they were thereafter revised (23 F.R. 7345, 9381) to the current percentages of 85, 15, and 17.6, respectively.

The Date Administrative Committee now estimates that the marketable dates from the 1958 production of Deglet Noor dates will be a little more than its prior estimate; and, as a consequence, its earlier estimate of total available supply of marketable Deglet Noor dates for the 1958–59 crop year is increased correspondingly. The committee also now estimates the trade demand for Deglet Noor dates at 24.7 million pounds which is somewhat higher than its previous estimate of this factor and will not be adequately offset by the slight increase in total available supply. On the basis of the committee's latest estimates, the current free percentage for marketable dates of the Deglet Noor variety should be increased to 87 percent, and corresponding changes made in the restricted and withholding percentages, in order to permit the committee's current estimate of trade demand for the 1958–59 crop year to be met as nearly as possible.

After consideration of the committee's recommendation, the supporting data submitted by the committee, and other available information, it is hereby found that to increase, as hereinafter set forth, the current free percentage for marketable dates of the Deglet Noor variety to make it conform, insofar as practicable, with the new relation found to exist between trade demand for, and available supply of, marketable dates of such variety, and to adjust the applicable restricted and withholding percentages accordingly, will tend to effectuate the declared policy of the act.

Therefore, it is hereby ordered, That the provisions in paragraph (a) of § 1003.206 *Free, restricted and withholding percentages* (23 F.R. 6547), as revised (23 F.R. 7345, 9381), are hereby further revised to read as follows:

(a) Deglet Noor variety dates: Free percentage, 87 percent; restricted percentage, 13 percent; and withholding percentage, 14.9 percent;

It is hereby further found that it is impracticable, unnecessary and contrary to the public interest to give preliminary notice and engage in public rule-making procedure, and that good cause exists for making the provisions of this order effective upon publication in the FEDERAL REGISTER (5 U.S.C. 1001 et seq.), in that: (1) This action reduces volume restrictions with respect to the handling of Deglet Noor dates during the 1958–59 crop year; (2) the revised free percentage of 87 percent will increase the quantity of Deglet Noor dates available for shipment in normal trade channels, and handlers need the maximum period of time remaining in the 1958–59 crop year to maximize their sales of such dates; (3) this revision requires, as provided in § 1003.46, recomputation of handlers' control obligations and adjustments in

(Continued on p. 1177)

CONTENTS

FEDERAL REGISTER

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CONTENTS—Continued

CONTENTS—Continued

CONTENTS—Continued

CODIFICATION GUIDE

A numerical list of the parts of the Code of Federal Regulations affected by documents published in this issue. Proposed rules, as opposed to final actions, are identified as such.

A Cumulative Codification Guide covering the current month appears at the end of each issue beginning with the second issue of the month.

7 CFR	Page
1003	1175
Proposed rules:	
984	1215
9 CFR	
Proposed rules:	
94	1216
17 CFR	
Proposed rules:	
230	1217

CODIFICATION GUIDE—Con.

poundage for the entire 1958–59 crop year and, in order to minimize, and facilitate, the making of such recomputation and adjustments it is necessary that this revision become effective as soon as possible and not later than the time hereinafter provided; (4) the revision in the control percentages was unanimously recommended by the committee, and handlers have been informed of it; and (5) in these circumstances, handlers should require no additional time to prepare for compliance with the less restrictive provisions of this revision.

(Sec. 5, 49 Stat. 753, as amended; 7 U.S.C. 608c)

Dated: February 12, 1959, to become effective upon publication in the FEDERAL REGISTER.

[SEAL] S. R. SMITH,
Director,
Fruit and Vegetable Division.

[F.R. Doc. 59–1394; Filed, Feb. 16, 1959; 8:47 a.m.]

Title 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T.D. 54792]

PART 16—LIQUIDATION OF DUTIES

Almonds From Spain; Countervailing Duties

The Bureau has received information concerning the export of almonds to the United States directly and indirectly from Spain which satisfies the Bureau that certain of such exports may receive bounties or grants within the meaning of section 303 of the Tariff Act of 1930 (19 U.S.C. 1303).

Notice is hereby given that almonds imported directly or indirectly from Spain which receive the benefits of such bounties or grants, if entered for consumption or withdrawn from warehouse for consumption after the expiration of 30 days after publication of this decision in the weekly Treasury Decisions, will be subject to the payment of countervailing duties equal to the net amount of any bounty or grant determined or estimated to have been paid or bestowed.

In accordance with section 303 it is hereby estimated and determined that under existing conditions the net amount of such bounty or grant is 8 pesetas per kilo. On and after the effective date of this notice, and until further notice, upon the entry for consumption, or withdrawal from warehouse for consumption, of almonds which benefit from such bounties or grants, there shall be collected, in addition to any other duties estimated or determined to be due, countervailing duties in the amount ascertained in accordance with the above estimation and determination.

The table in § 16.24(a) of the Customs Regulations is amended by inserting after the last entry for Ireland the word "Spain" in the column headed "Country", the word "Almonds" in the column headed "Commodity", the number of this Treasury decision in the column headed "Treasury Decision", and the words "Bounties declared—Rate" in the column headed "Action".

(R.S. 251, secs. 303, 624, 46 Stat. 687, 759; 19 U.S.C. 66, 1303, 1624)

[SEAL] RALPH KELLY,
Commissioner of Customs.

Approved: February 12, 1959.

LAWRENCE B. ROBBINS,
Acting Secretary of the Treasury.

[F.R. Doc. 59–1453; Filed, Feb. 16, 1959; 9:22 a.m.]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER A—GENERAL

PART 3—STATEMENTS OF GENERAL POLICY OR INTERPRETATION

Injectable Iron Preparations for Veterinary Use

Under the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 701(a), 52 Stat. 1055, as amended; 21 U.S.C. 371) and delegated to the Commissioner of Food and Drugs by the Secretary (23 F.R. 9500), and pursuant to the Administrative Procedure Act (sec. 3, 60 Stat. 237; 5 U.S.C. 1002), the following statement of interpretation is issued:

§ 3.511 Injectable iron preparations for veterinary use.

There has been an increasing interest in the use of injectable iron compounds for the prevention or treatment of iron-deficiency anemia in animals. Although some such preparations have been shown to be safe, such articles are regarded as new drugs within the meaning of the Federal Food, Drug, and Cosmetic Act. Accordingly, an effective new-drug application is required prior to the marketing of such preparations within the jurisdiction of the act. In addition to the need for demonstrating the safety of such articles, we are concerned that the labeling of such preparations not only recommends appropriate dosages of iron but also declares the amount (in milligrams) of available iron (Fe) per milliliter of the subject product.

(Sec. 701, 52 Stat. 1055, as amended; 21 U.S.C. 371. Interprets or applies secs. 201(p), 502(f), 505(a), 52 Stat. 1041, 1042, 1051, 1052; 21 U.S.C. 321(p), 352(f), 355(a))

Dated: February 10, 1959.

[SEAL] JOHN L. HARVEY,
Deputy Commissioner of Food and Drugs.

[F.R. Doc. 59–1402; Filed, Feb. 16, 1959; 8:48 a.m.]

SUBCHAPTER C—DRUGS

PART 146e—CERTIFICATION OF BACITRACIN AND BACITRACIN-CONTAINING DRUGS

Bacitracin

Under the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 507, 59 Stat. 463, as amended; sec. 701, 52 Stat. 1055, as amended; 21 U.S.C. 357, 371) and delegated to the Commissioner of Food and Drugs by the Secretary (23 F.R. 9500), the regulations for the certification of bacitracin and bacitracin-containing drugs (21 CFR 146e.401) are amended as indicated below:

In § 146e.401 *Bacitracin,* subparagraph (1)(iv) of paragraph (c) *Labeling* is amended by changing the colon after the word "certified" to a comma, deleting the remainder of the subdivision, and inserting the following clause: "except that the blank may be filled in with the date that is 36 months after the month during which the batch was certified if the person who requests certification has submitted to the Commissioner results of tests and assays showing that after having been stored for such period of time such drug as prepared by him complies with the standards prescribed by paragraph (a) of this section."

Notice and public procedure are not necessary prerequisites to the promulgation of this order, and I so find, since it was drawn in collaboration with interested members of the affected industry and since it would be against public interest to delay providing for these amendments.

Effective date. This order shall become effective on the date of publication

in the FEDERAL REGISTER, since both the public and the affected industry will benefit by the earliest effective date, and I so find.

(Sec. 701, 52 Stat. 1055, as amended; 21 U.S.C. 371. Interprets or applies sec. 507, 59 Stat. 463, as amended; 21 U.S.C. 357)

Dated: February 10, 1959.

[SEAL] JOHN L. HARVEY,
Deputy Commissioner of Food and Drugs.

[F.R. Doc. 59-1401; Filed, Feb. 16, 1959; 8:48 a.m.]

Title 25—INDIANS

Chapter I—Bureau of Indian Affairs, Department of the Interior

SUBCHAPTER N—GRAZING

PART 152—NAVAJO GRAZING REGULATIONS

Grazing Permits

Paragraph (b) of § 152.13 is amended to read as set forth below. The purpose of this amendment is to extend the effective date of § 152.13(b). Since the effect of such extension is to relieve the restriction now imposed, notice and public procedure on this amendment have been deemed to be unnecessary. This amendment is effective upon publication in the FEDERAL REGISTER.

§ 152.13 Trespass.

* * * * *

(b) All persons running livestock in excess of their permitted number must by April 25, 1959, either obtain permits to cover their total livestock numbers or reduce to their permitted number, or be in trespass. Additional time may be granted in unusual individual cases as determined and approved by the District Grazing Committee, General Grazing Committee, and the Superintendent or his authorized representative.

(R.S. 465, 2117, as amended, sec. 3, 26 Stat. 795, sec. 1, 28 Stat. 305, as amended; 25 U.S.C. 9, 179, 397, 345, 402)

FRED A. SEATON,
Secretary of the Interior.

FEBRUARY 11, 1959.

[F.R. Doc. 59-1377; Filed, Feb. 16, 1959; 8:46 a.m.]

Title 26—INTERNAL REVENUE, 1954

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER A—INCOME TAX

[T.D. 6362]

PART 1—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

Statutory Provisions

In order to conform the Income Tax Regulations (26 CFR Part 1) to amendments made by sections 34, 55, and 56 of the Technical Amendments Act of 1958 (72 Stat. 1632, 1645), such provisions are amended as follows:

PARAGRAPH 1. Section 1.582 is amended—

(A) By striking out the words "with interest coupons or in registered form," in section 582(c).

(B) By adding at the end of section 582 the following historical note:

[Sec. 582 as amended by sec. 34, Technical Amendments Act of 1958 (72 Stat. 1632)]

PAR. 2. Paragraph (c) of § 1.582-1 is amended by striking "with interest coupons or in registered form,".

PAR. 3. Section 1.1237 is amended as follows:

(A) By striking out "or, in the same taxable year" immediately following the parenthetical clause in section 1237 (a)(1) and by inserting in lieu thereof "and, in the same taxable year".

(B) By amending the historical footnote to read as follows:

[Sec. 1237 as amended by Act of April 27, 1956 (Pub. Law 495, 84th Cong., 70 Stat. 118), and sec. 55, Technical Amendments Act of 1958 (72 Stat. 1645)]

PAR. 4. In § 1.1239, immediately after subsection (b) of section 1239, the following is inserted:

(c) *Section not applicable with respect to sales or exchanges made on or before May 3, 1951.* This section shall apply only in the case of a sale or exchange made after May 3, 1951.

[Sec. 1239 as amended by sec. 56, Technical Amendments Act of 1958 (72 Stat. 1645)]

Because this Treasury decision makes no changes except with respect to the statutory provisions of regulations, which changes are necessary to conform such regulations to amendments of the respective amendatory statutes, it is hereby found that it is unnecessary to issue this Treasury decision with notice and public procedure thereon under section 4(a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitation of section 4(c) of that Act.

(68A Stat. 917; 26 U.S.C. 7805)

[SEAL] DANA LATHAM,
Commissioner of Internal Revenue.

Approved: February 11, 1959.

FRED C. SCRIBNER, Jr.,
Acting Secretary of the Treasury.

[F.R. Doc. 59-1392; Filed, Feb. 16, 1959; 8:47 a.m.]

[T.D. 6364]

PART 1—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

Procedure and Administration

On September 19, 1958, notice of proposed rule making regarding the regulations under certain sections of subtitle F of the Internal Revenue Code of 1954 which relate to certain procedural and administrative requirements in respect of the taxes imposed by subtitle A of such Code was published in the FEDERAL REGISTER (23 F.R. 7295). After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, such rules are hereby adopted subject to the following changes. However, the Treasury decision does not contain regulations under section 6851 of the Internal Revenue Code of 1954. Regulations under section 6851 will be the subject of a separate Treasury decision. The regulations hereby adopted are applicable for taxable years beginning after December 31, 1953, and ending after August 16, 1954, except as otherwise specifically provided.

PARAGRAPH 1. Section 1.6012-1 is changed by inserting at the end of paragraph (a)(4) thereof the following sentence: "For the amount of tax which is considered to have been properly assessed against the parent, if not paid by the child, see section 6201(c) and paragraph (c) of § 301.6201-1 of this chapter."

PAR. 2. Section 1.6012-2 is changed:

(A) By striking from the first sentence of paragraph (a)(1) thereof "(ii)".

(B) By revising paragraph (g)(1).

PAR. 3. The first sentence of paragraph (a)(2) of § 1.6012-3 is changed by striking therefrom "sworn to by the fiduciary as a true and complete copy" and inserting in lieu thereof "accompanied by a written declaration of the fiduciary under the penalties of perjury that it is a true and complete copy".

PAR. 4. Section 1.6035-1 is changed:

(A) By adding after the word "companies" in the heading thereof the following: "for taxable years beginning after December 31, 1958."

(B) In the first sentence of paragraph (a)(1) thereof by striking "On the fifteenth day of the first month after the close of each" and inserting in lieu thereof the following: "For taxable years beginning after December 31, 1958, on the fifteenth day of the first month after the close of each such".

(C) By striking "beginning after December 31, 1957," in subdivision (xi) of paragraph (a)(1) thereof.

(D) In paragraph (a)(2) thereof by striking "On" and inserting in lieu thereof the following: "For taxable years beginning after December 31, 1958, on".

PAR. 5. Section 1.6035-2 is changed:

(A) By adding after the word "companies" in the heading thereof the following: "for taxable years beginning after December 31, 1958."

(B) In the first sentence of paragraph (a) thereof by striking "On the fifteenth day of the first month after the close of each" and inserting in lieu thereof the following: "For taxable years beginning after December 31, 1958, on the fifteenth day of the first month after the close of each such"

(C) By adding at the end of paragraph (a) thereof the following sentence: "The return shall set forth for the taxable year the same information as is required under paragraph (a)(1) of § 1.6035-1."

PAR. 6. There is inserted immediately after § 1.6035-2 a new § 1.6035-3.

PAR. 7. Section 1.6041-1 is changed by striking paragraph (d)(1).

PAR. 8. Section 1.6041–3 is changed by redesignating paragraphs (i), (j), (k), (l), (m), and (n) thereof as paragraphs (j), (k), (l), (m), (n), and (o), respectively, and by inserting a new paragraph (i) immediately after paragraph (h).

PAR. 9. Paragraph (c) (2) of § 1.6042–1 is changed:

(A) By deleting the word "or" after the semicolon in subdivision (iii) thereof;

(B) By striking the period at the end of subdivision (iv) thereof and inserting a semicolon in lieu of such period; and

(C) By adding immediately after subdivision (iv) thereof new subdivisions (v) and (vi).

PAR. 10. Section 1.6063–1 is changed by adding at the end of paragraph (a) thereof the following sentence: "However, with respect to the signing of powers of attorney, see paragraph (a) (2) of § 601.504 of this chapter."

PAR. 11. Section 1.6071–1 is changed by inserting after "short period" in paragraph (b) thereof the phrase "(as defined in section 443)".

PAR. 12. Section 1.6081–2 is changed by striking the words "the Territory of" from the last sentence of paragraph (b) thereof.

PAR. 13. Section 1.6091–3 is changed by redesignating paragraphs (c) and (d) thereof as paragraphs (e) and (f), respectively, and by striking paragraph (b) of such section and inserting in lieu thereof new paragraphs (b), (c), and (d).

[SEAL] DANA LATHAM,
Commissioner of Internal Revenue.

Approved: February 12, 1959.

FRED C. SCRIBNER, Jr.,
Acting Secretary of the Treasury.

The following regulations relating to procedural and administrative requirements in respect of income tax are prescribed under certain sections of subtitle F of the Internal Revenue Code of 1954 and, except as otherwise specifically provided, are applicable for taxable years beginning after December 31, 1953, and ending after August 16, 1954.

PROCEDURE AND ADMINISTRATION

INFORMATION AND RETURNS

TIME AND PLACE FOR PAYING TAX

AUTHORITY: §§ 1.6001 to 1.9100–1 issued under sec. 7805, I.R.C. 1954; 68A Stat. 917; 26 U.S.C. 7805.

PROCEDURE AND ADMINISTRATION

INFORMATION AND RETURNS

§ 1.6001 Statutory provisions; notice or regulations requiring records, statements, and special returns.

SEC. 6001. *Notice or regulations requiring records, statements, and special returns.* Every person liable for any tax imposed by this title, or for the collection thereof, shall keep such records, render such statements, make such returns, and comply with such rules and regulations as the Secretary or his delegate may from time to time prescribe. Whenever in the judgment of the Secretary or his delegate it is necessary, he may require any person, by notice served upon such person or by regulations, to make such returns, render such statements, or keep such records, as the Secretary or his delegate deems sufficient to show whether or not such person is liable for tax under this title.

§ 1.6001–1 Records.

(a) *In general.* Except as provided in paragraph (b) of this section, any person subject to tax under subtitle A of the Internal Revenue Code of 1954, or any person required to file a return of information with respect to income, shall keep such permanent books of account or records, including inventories, as are sufficient to establish the amount of gross income, deductions, credits, or other matters required to be shown by such person in any return of such tax or information.

(b) *Farmers and wage-earners.* Individuals deriving gross income from the business of farming, and individuals whose gross income includes salaries, wages, or similar compensation for personal services rendered, are required with respect to such income to keep such records as will enable the district director to determine the correct amount of income subject to the tax. It is not necessary, however, that with respect to such income individuals keep the books of account or records required by paragraph (a) of this section. For rules with respect to the records to be kept in substantiation of traveling and other business expenses of employees, see § 1.162–17.

(c) *Exempt organizations.* In addition to such permanent books and records as are required by paragraph (a) of this section with respect to the tax imposed by section 511 on unrelated business income of certain exempt organizations, every organization exempt from tax under section 501(a) but required by section 6033 to file an annual return shall keep such permanent books of account or records, including inventories, as are sufficient to show specifically the items of gross income, receipts, and disbursements, and such other information as is required by section 6033. See section 6033 and § 1.6033–1.

(d) *Notice by district director requiring returns, statements, or the keeping of records.* The district director may require any person, by notice served upon him, to make such returns, render such statements, or keep such specific records as will enable the district director to determine whether or not such person is liable for tax under subtitle A of the Code.

(e) *Retention of records.* The books or records required by this section shall be kept at all times available for inspection by authorized internal revenue officers or employees, and shall be retained so long as the contents thereof may become material in the administration of any internal revenue law.

(f) *Cross reference.* For general information with respect to the keeping of records, see § 301.6001–1 of this chapter.

§ 1.6011 Statutory provisions; general requirement of return, statement, or list.

SEC. 6011. *General requirement of return, statement, or list*—(a) *General rule.* When required by regulations prescribed by the Secretary or his delegate any person made liable for any tax imposed by this title, or for the collection thereof, shall make a return or statement according to the forms and regulations prescribed by the Secretary or his delegate. Every person required to make a return or statement shall include therein the information required by such forms or regulations.

* * * * *

(c) *Income, estate, and gift taxes.* For requirement that returns of income, estate, and gift taxes be made whether or not there is tax liability, see sections 6012 to 6019, inclusive.

§ 1.6011–1 General requirement of return, statement, or list.

(a) *General rule.* Every person subject to any tax, or required to collect any tax, under subtitle A of the Code, shall make such returns or statements as are required by the regulations in this chapter. The return or statement shall include therein the information required by the applicable regulations or forms.

(b) *Use of prescribed forms.* Copies of the prescribed return forms will so far as possible be furnished taxpayers by district directors. A taxpayer will not be excused from making a return, however, by the fact that no return form has been furnished to him. Taxpayers not supplied with the proper forms should make application therefor to the district director in ample time to have their returns prepared, verified, and filed on or before the due date with the internal revenue office where such returns are required to be filed. Each taxpayer should carefully prepare his return and set forth fully and clearly the information required to be included therein. Returns which have not been so prepared will not be accepted as meeting the requirements of the Code. In the absence of a prescribed form, a statement made by a taxpayer disclosing his gross income and the deductions therefrom may be accepted as a tentative return, and, if filed within the prescribed time, the statement so made will relieve the taxpayer from liability for the addition to tax imposed for the delinquent filing of the return, provided that without unnecessary delay such a tentative return is supplemented by a return made on the proper form.

§ 1.6012 Statutory provisions; persons required to make returns of income.

SEC. 6012. *Persons required to make returns of income*—(a) *General rule.* Returns with respect to income taxes under subtitle A shall be made by the following:

(1) Every individual having for the taxable year a gross income of $600 or more (except that any individual who has attained the age of 65 before the close of his taxable year shall be required to make a return only if he has for the taxable year a gross income of $1,200 or more);

(2) Every corporation subject to taxation under subtitle A;

(3) Every estate the gross income of which for the taxable year is $600 or more;

(4) Every trust having for the taxable year any taxable income, or having gross income of $600 or over, regardless of the amount of taxable income; and

(5) Every estate or trust of which any beneficiary is a nonresident alien;

except that subject to such conditions, limitations, and exceptions and under such regulations as may be prescribed by the Secretary or his delegate, nonresident alien individuals subject to the tax imposed by section 871 and foreign corporations subject to the tax imposed by section 881 may be exempted from the requirement of making returns under this section.

(b) *Returns made by fiduciaries and receivers*—(1) *Returns of decedents.* If an individual is deceased, the return of such individual required under subsection (a) shall be made by his executor, administrator, or other person charged with the property of such decedent.

(2) *Persons under a disability.* If an individual is unable to make a return required under subsection (a) or section 6015 (a), the return of such individual shall be made by a duly authorized agent, his committee, guardian, fiduciary or other person charged with the care of the person or property of such individual. The preceding sentence shall not apply in the case of a receiver appointed by authority of law in possession of only a part of the property of an individual.

(3) *Receivers, trustees and assignees for corporations.* In a case where a receiver, trustee in bankruptcy, or assignee, by order of a court of competent jurisdiction, by operation of law or otherwise, has possesssion of or holds title to all or substantially all the property or business of a corporation, whether or not such property or business is being operated, such receiver, trustee, or assignee shall make the return of income for such corporation in the same manner and form as corporations are required to make such returns.

(4) *Returns of estates and trusts.* Returns of an estate or a trust shall be made by the fiduciary thereof.

(5) *Joint fiduciaries.* Under such regulations as the Secretary or his delegate may prescribe, a return made by one of two or more joint fiduciaries shall be sufficient compliance with the requirements of this section. A return made pursuant to this para-

graph shall contain a statement that the fiduciary has sufficient knowledge of the affairs of the person for whom the return is made to enable him to make the return, and that the return is, to the best of his knowledge and belief, true and correct.

(c) *Certain income earned abroad.* For purposes of this section, gross income shall be computed without regard to the exclusion provided for in section 911 (relating to earned income from sources without the United States).

(d) *Consolidated returns.* For provisions relating to consolidated returns by affiliated corporations, see chapter 6.

[Sec. 6012 as amended by sec. 72(a), Technical Amendments Act 1958 (72 Stat. 1660)]

§ 1.6012–1 Individuals required to make returns of income.

(a) *Individual citizen or resident*—(1) *In general.* Except as provided in subparagraph (2) of this paragraph, an income tax return must be filed for each taxable year by every individual who receives $600 or more of gross income during such taxable year and who is—

(i) A citizen of the United States, whether residing at home or abroad,

(ii) A resident of the United States even though not a citizen thereof, or

(iii) An alien bona fide resident of Puerto Rico during the entire taxable year.

Such return must be filed by such individual regardless of his family or marital status.

(2) *Certain exceptions.* (i) In case an individual who is described in subparagraph (1) of this paragraph has attained the age of 65 before the close of his taxable year, an income tax return must be filed by such individual only if he receives $1,200 or more of gross income during his taxable year.

(ii) In the case of a short taxable year referred to in section 443(a)(1), an individual described in subparagraph (1) of this paragraph shall file an income tax return if his gross income received during such short taxable year equals or exceeds his own personal exemption allowed by section 151(b) (prorated as provided in section 443(c)) and, when applicable, his additional exemption for age 65 or more allowed by section 151(c)(1) (prorated as provided in section 443(c)).

(3) *Earned income from without the United States.* For the purpose of determining whether an income tax return must be filed for any taxable year beginning after December 31, 1957, gross income shall be computed without regard to the exclusion provided for in section 911 (relating to earned income from sources without the United States). In the case of an individual claiming an exclusion under such section, he shall attach Form 2555 to the return required under this paragraph.

(4) *Return of income of minor.* A minor is subject to the same requirements and elections for making returns of income as are other individuals. Thus, a return of income must be made by or for a minor who has a total of $600 of gross income, regardless of the amount of his taxable income. For example, a return must be made by or for a minor who has an aggregate of $600 gross income from funds held in trust for him and from his personal services. The return of a minor must be made by the minor himself or must be made for him by his guardian or other person charged with the care of the minor's person or property. See paragraph (b)(3) of § 1.6012–3. See § 1.73–1 for inclusion in the minor's gross income of amounts received for his personal services. For the amount of tax which is considered to have been properly assessed against the parent, if not paid by the child, see section 6201(c) and paragraph (c) of § 301.6201–1 of this chapter.

(5) *Returns made by agents.* The return of income may be made by an agent if the person liable for the making of the return is unable to make it by reason of illness or continuous absence from the United States for a period of at least 60 days before the date prescribed by law for making the return. However, assistance in the preparation of the return may be rendered under any circumstances. Whenever a return is made by an agent it shall be accompanied by the prescribed power of attorney, Form 935, except that an agent holding a valid and subsisting general power of attorney authorizing him to represent his principal in making, executing, and filing the income return, may submit a certified copy thereof in lieu of the authorization on Form 935. The agent, as well as the taxpayer, may incur liability for the penalties provided for erroneous, false, or fraudulent returns. For a return of an agent for a nonresident alien individual, see paragraph (b)(6) of this section. For the requirements regarding signing of returns, see § 1.6061–1.

(6) *Form of return.* The return required under this paragraph shall be made on Form 1040, except in the case of a taxpayer who, in accordance with subparagraph (7) of this paragraph, elects to use Form 1040A. A taxpayer, even though entitled to use Form 1040A for the taxable year, may, nevertheless, use Form 1040 as his return. A taxpayer otherwise entitled to use Form 1040A as his return for the taxable year but who does not desire to take the standard deduction provided in section 141 is required to use Form 1040 as his return for the taxable year.

(7) *Use of Form 1040A by certain taxpayers with gross income less than $10,000*—(i) *In general.* Subject to the limitations set forth in subdivisions (ii), (iii), (iv), and (v) of this subparagraph, and in accordance with Form 1040A and the instructions provided with respect to such form, an individual may use Form 1040A as his return for any taxable year in which the gross income of the individual—

(*a*) Is less than $10,000,

(*b*) Consists entirely of remuneration for personal services performed as an employee, dividends, or interest, and

(*c*) Does not include more than $200 from dividends, interest, and remuneration for personal services other than wages, as defined in section 3401(a).

For purposes of determining whether gross income from dividends, interest, and remuneration other than wages, as defined in section 3401(a), exceeds $200, dividends from domestic corporations are taken into account to the extent that they are includible in gross income.

(ii) *Restrictions on use of Form 1040A.* Form 1040A shall not be used by an individual—

(*a*) Who elects to itemize his deductions;

(*b*) Whose spouse makes a separate return on Form 1040 and elects to itemize deductions;

(*c*) Who is a nonresident alien individual;

(*d*) Who is a citizen of the United States entitled to the benefits of section 931 (relating to income from sources within possessions of the United States);

(*e*) Who makes a return under section 443(a)(1) for a period of less than 12 months on account of a change in his accounting period;

(*f*) Who makes a return on a fiscal year basis;

(*g*) Who makes a return by use of a method of accounting other than the cash receipts and disbursements method;

(*h*) Who claims that amounts included in the statement of wages under section 6051 are excluded under section 105(d);

(*i*) Who claims any of the deductions referred to in section 62, for example, the deductions for travel or transportation expense;

(*j*) Who claims a deduction for an exemption upon a multiple support agreement under section 152(c); or

(*k*) Who claims credit for payment of estimated income tax or for an overpayment of income tax for the previous taxable year.

(iii) *Credits not allowable.* When Form 1040A is used, the following credits shall not be allowed:

(*a*) The credit provided by section 32 for tax withheld at source under subchapter B of chapter 3 of the Code;

(*b*) The credit provided by section 33 for taxes imposed by foreign countries and possessions of the United States;

(*c*) The credit provided by section 34 for dividends received;

(*d*) The credit provided by section 35 for partially tax-exempt interest; and

(*e*) The credit provided by section 37 for retirement income.

(iv) *Status benefits not allowable.* The status of a taxpayer as head of household, as defined in section 1(b)(2), or as a surviving spouse, as defined in section 2(b), shall not be considered in determining the tax liability of a taxpayer filing Form 1040A.

(v) *Use after due date not permitted.* Form 1040A shall not be used unless it is filed on or before the date prescribed in section 6072(a) for the filing of the return.

(vi) *Computation and payment of tax.* Unless a taxpayer is entitled to elect under section 6014 and § 1.6014–1 not to show the tax on Form 1040A and does so elect, he shall compute and show on his return on Form 1040A the amount of the tax imposed by subtitle A and shall, without notice and demand therefor, pay any unpaid balance of such tax not later than the date fixed for filing the return.

(vii) *Change of election to use Form 1040A.* A taxpayer who has elected to make a return on Form 1040A may

change such election. Such change of election shall be within the time and subject to the conditions prescribed in section 144(b) and § 1.144–2, relating to change of election to take, or not to take, the standard deduction.

(viii) *Joint return of husband and wife on Form 1040A.* If the aggregate gross income for any taxable year of a husband and wife, neither of whom was a nonresident alien at any time during such year, is less than $10,000, consists solely of remuneration for services performed as an employee, dividends, or interest, and does not include more than $200 from dividends, interest, and remuneration for personal services other than wages as defined in section 3401(a), the spouses may file a joint return on Form 1040A. For purposes of determining whether gross income from sources other than wages exceeds $200 where both spouses received dividends from domestic corporations, the amount of such dividends received by each spouse is taken into account to the extent that such dividends are includible in gross income. See section 116 and §§ 1.116–1 and 1.116–2. If a joint return is made by husband and wife on Form 1040A, the liability for the tax shall be joint and several.

(b) *Returns of nonresident alien individuals*—(1) *Individuals in class 1 (no United States business and gross income of not more than $15,400)*—(i) *Return not required.* If the tax liability of a nonresident alien individual within class 1, as described in paragraph (a) (1) of § 1.871–7, is fully satisfied at the source, a return of income is not required.

(ii) *Return required.* A nonresident alien individual within class 1 shall make or have made a return on Form 1040NB with respect to that portion of his income described in paragraph (b) of § 1.871–7 upon which the tax has not been fully satisfied at the source, including such income upon which the tax is limited by tax convention. A return shall be made in such instance even though the individual's gross income from sources within the United States for the taxable year is less than $600.

(iii) *Items upon which tax not fully satisfied.* Some of the items of income from sources within the United States upon which the tax liability will not have been fully satisfied at the source are—

(*a*) Interest upon so-called tax-free covenant bonds upon which, in accordance with § 1.1451–1, a tax of only 2 percent is required to be withheld at the source;

(*b*) Capital gains described in paragraph (b) (4) of § 1.871–7, which are not subject to withholding under § 1.1441–1;

(*c*) Accrued interest received in connection with the sale of bonds between interest dates, which, in accordance with paragraph (a) (2) of § 1.1441–4, is not subject to withholding; and

(*d*) Dividends from foreign corporations which are not subject to withholding under paragraph (b) (2) of § 1.1441–3 but do constitute income from sources within the United States under paragraph (a) (2) of § 1.861–3.

(iv) *Claim for refund.* Notwithstanding the provisions of subdivisions (i) and (ii) of this subparagraph, a nonresident alien individual within class 1 shall include on Form 1040NB his entire income described in paragraph (b) of § 1.871–7, whether or not the tax has been fully satisfied at the source upon a portion thereof, if a claim for the refund of an overpayment of tax is made in accordance with section 6402 and the regulations thereunder. However, if the overpayment to be refunded consists solely of tax deemed to have been paid under section 852(b)(3)(D), relating to undistributed capital gains of a regulated investment company, it is not necessary to include on the Form 1040NB the entire income described in paragraph (b) of § 1.871–7.

(2) *Individuals in class 2 (no United States business and gross income of more than $15,400).* Even though the tax has been fully satisfied at the source, every nonresident alien individual within class 2, as described in paragraph (a) (2) of § 1.871–7, shall make or have made a return on Form 1040NB–a of all his income described in paragraph (c) of § 1.871–7, including such income upon which the tax is limited by tax convention. However, if the gross income of an individual within class 2 consists of treaty income only, as defined in paragraph (e) of § 1.871–7, or if the nontreaty income does not exceed $15,400 in the aggregate, the return shall be made on Form 1040NB in the manner and to the extent otherwise required in subparagraph (1) of this paragraph. See paragraph (e) (2) of § 1.871–7.

(3) *Individuals in class 3 (United States business).* Every nonresident alien individual within class 3, as described in paragraph (a) (3) of § 1.871–7, shall make or have made a return on Form 1040B of all his income described in paragraph (d) of § 1.871–7, including such income upon which the tax is limited by tax convention, even though his gross income from sources within the United States for the taxable year is less than $600. No exception is made to this requirement in the case of such an individual who is a resident of Canada or Mexico. However, if the gross income of a nonresident alien individual within class 3 consists of treaty income only and the tax is determined by applying the limited rates applicable under the convention, then the return shall be made on Form 1040NB in the manner and to the extent otherwise required by subparagraph (1) of this paragraph. See paragraph (e) (3) and (5) of § 1.871–7. When used for this purpose, Form 1040NB shall be appropriately marked in accordance with the instructions issued with respect to the return.

(4) *Treaty income.* If the gross income of a nonresident alien individual to which this paragraph applies includes income on which the tax is limited by tax convention, see paragraph (e) of § 1.871–7.

(5) *Claims for refund*—(i) *Forms to use.* In the case of any overpayment of income tax by a nonresident alien individual to which this paragraph applies, claim for refund may be made in accordance with section 6402 and the regulations thereunder.

(ii) *Tax withheld at source.* If an overpayment has resulted from the withholding of tax at source under chapter 3 of the Code, statements shall be attached to the claim for refund showing accurately (*a*) the amounts of tax withheld, with the names and post office addresses of withholding agents and, (*b*) if applicable, facts sufficient to show that, at the time when the income was derived, the taxpayer was entitled to the benefit of a reduced rate of, or exemption from, tax with respect to that income under the provisions of a tax convention to which the United States is a party. For an illustration of the statements to be furnished when claiming the benefit of a reduced rate or exemption under a tax convention, see 26 CFR (1939) 7.710 (Treasury Decision 6030, approved July 10, 1953); § 501.11 of this chapter (Treasury Decision 6108, approved October 13, 1954); and § 502.10 of this chapter (Treasury Decision 6109, approved October 13, 1954). For the refund to the withholding agent of an overpayment of the tax under chapter 3 of the Code, see § 1.1464–1.

(6) *Representative or agent for nonresident alien individuals*—(i) *In general.* The responsible representative or agent within the United States of a nonresident alien individual shall make in behalf of his nonresident alien principal a return of, and shall pay the tax on, all income from sources within the United States coming within his control as representative or agent. The agency appointment will determine how completely the agent is substituted for the principal for tax purposes. Any person who collects interest or dividends on deposited securities of a nonresident alien individual, executes ownership certificates in connection therewith, or sells such securities under special instructions shall not be deemed merely by reason of such acts to be the responsible representative or agent of the nonresident alien individual.

(ii) *Income to be returned.* A return of income shall be required under this subparagraph only if the nonresident alien individual is otherwise required to make a return in accordance with this paragraph. The provisions of this paragraph shall apply in determining the form of return to be used and the income to be returned.

(c) *Cross reference.* For returns by fiduciaries for individuals, estates, and trusts, see § 1.6012–3.

§ 1.6012–2 Corporations required to make returns of income.

(a) *In general*—(1) *Requirement of return.* Except as provided in paragraphs (e) and (g) (1) of this section with respect to charitable and other organizations having unrelated business income and to certain foreign corporations, respectively, every corporation, as defined in section 7701(a) (3), subject to taxation under subtitle A shall make a return of income regardless of whether it has taxable income or regardless of the amount of its gross income.

(2) *Existence of corporation.* A corporation in existence during any portion of a taxable year is required to make a return. If a corporation was not in

existence throughout an annual accounting period (either calendar year or fiscal year), the corporation is required to make a return for that fractional part of a year during which it was in existence. A corporation is not in existence after it ceases business and dissolves, retaining no assets, whether or not under State law it may thereafter be treated as continuing as a corporation for certain limited purposes connected with winding up its affairs, such as for the purpose of suing and being sued. If the corporation has valuable claims for which it will bring suit during this period, it has retained assets and therefore continues in existence. A corporation does not go out of existence if it is turned over to receivers or trustees who continue to operate it. If a corporation has received a charter but has never perfected its organization and has transacted no business and has no income from any source, it may upon presentation of the facts to the district director be relieved from the necessity of making a return. In the absence of a proper showing of such facts to the district director, a corporation will be required to make a return.

(3) *Form of return.* The return required of a corporation under this section shall be made on Form 1120 unless the corporation is of a type for which a special form is prescribed. The special forms of returns and schedules required of particular types of corporations are set forth in paragraphs (b) to (g), inclusive, of this section.

(b) *Personal holding companies.* A personal holding company, as defined in section 542, including a foreign corporation within the definition of such section, shall attach Schedule PH, Computation of U.S. Personal Holding Company Tax, to the return required by paragraph (a) or (g), as the case may be, of this section.

(c) *Insurance companies*—(1) *Life insurance companies.* A life insurance company subject to tax under section 802 or 811 shall make a return on Form 1120L. There shall be filed with the return (i) a copy of the annual statement, the form of which has been approved by the National Association of Insurance Commissioners, which is filed by the company for the year covered by such return with the Insurance Departments of States, Territories, and the District of Columbia, and which shows the reserves used by the company in computing the taxable income reported on its return, and (ii) copies of Schedule A (real estate) and Schedule D (bonds and stocks) of such annual statement.

(2) *Mutual insurance companies.* A mutual insurance company (other than a life or marine insurance company and other than a fire insurance company subject to the tax imposed by section 831) or an interinsurer or reciprocal underwriter subject to tax under section 821 shall make a return on Form 1120M. See paragraph (a) (3) of § 1.821–1. There shall be filed with the return (i) a copy of the annual statement, the form of which has been approved by the National Association of Insurance Commissioners, which is filed by the company for the year covered by such return with the Insurance Departments of States, Territories, and the District of Columbia, and (ii) copies of Schedule A (real estate) and Schedule D (bonds and stocks) of such annual statement.

(3) *Other insurance companies.* Every insurance company (other than a life or mutual insurance company), every mutual marine insurance company, and every mutual fire insurance company, subject to tax under section 831, and every mutual savings bank conducting a life insurance business and subject to tax under section 594, shall make a return on Form 1120. See paragraph (c) of § 1.831–1. There shall be filed with the return a copy of the annual statement, the form of which has been approved by the National Association of Insurance Commissioners, which contains the underwriting and investment exhibit for the year covered by such return.

(4) *Foreign insurance companies.* The provisions of subparagraphs (1), (2), and (3) of this paragraph concerning the returns and statements of insurance companies subject to tax under section 802 or 811, section 821, and section 831, respectively, are applicable to foreign insurance companies subject to tax under such sections, except that the copy of the annual statement, the form of which has been approved by the National Association of Insurance Commissioners, required to be submitted with the return shall, in the case of a foreign insurance company, be a copy of the statement relating to the United States business of such company.

(d) *Affiliated groups.* For the forms to be used by affiliated corporations filing a consolidated return, see § 1.1502–12.

NOTE: Paragraphs (e) and (f) of this section, relating to charitable and other organizations with unrelated business income and to farmers' cooperatives, respectively, have been issued as a part of Treasury Decision 6301, approved July 2, 1958.

(g) *Returns by foreign corporations*—(1) *Nonresident foreign corporations*—(i) *In general.* A nonresident foreign corporation is not required to make a return of income if the tax liability of the corporation is fully satisfied at the source. A nonresident foreign corporation shall, however, make or have made a return on Form 1120NB with respect to that portion of its income described in § 1.881–2 upon which the tax has not been fully satisfied at the source, including such income upon which the tax is limited by tax convention.

(ii) *Claim for refund.* Notwithstanding the provisions of subdivision (i) of this subparagraph, a nonresident foreign corporation shall include on Form 1120NB its entire income described in § 1.881–2, whether or not the tax has been fully satisfied at the source upon a portion thereof, if a claim for refund of an overpayment of tax is made in accordance with section 6402 and the regulations thereunder. However, if the overpayment to be refunded consists solely of tax deemed to have been paid under section 852(b) (3) (D), relating to undistributed capital gains of a regulated investment company, it is not necessary to include on the Form 1120NB the entire income described in § 1.881–2.

(2) *Resident foreign corporations.* Every resident foreign corporation shall make or have made a return on Form 1120 of all its income described in § 1.882–1, including such income upon which the tax is limited by tax convention.

(3) *Treaty income.* If the gross income of a foreign corporation includes income upon which the tax is limited by tax convention, see paragraph (f) of § 1.881–2 in the case of a nonresident foreign corporation, or paragraph (a) (7) of § 1.882–1 in the case of a resident foreign corporation.

(4) *Returns by agent.* If at the time the return is filed a foreign corporation has no office or place of business within the United States but has an agent in the United States, the return required by this paragraph shall be made by the agent. See section 882(d).

(5) *Claims for refund*—(i) *Form to use.* In the case of any overpayment of income tax by a foreign corporation to which this paragraph applies, claim for refund shall be made in accordance with section 6402 and the regulations thereunder.

(ii) *Tax withheld at source.* If an overpayment has resulted from the withholding of tax at source under chapter 3 of the Code, statements shall be attached to the claim for refund showing the same information as is required by paragraph (b) (5) of § 1.6012–1 in the case of a claim for refund by a nonresident alien individual.

(6) *Special return forms.* For provisions relating to—

(i) Returns of foreign corporations which are personal holding companies as defined in section 542, see paragraph (b) of this section;

(ii) Returns of foreign insurance companies subject to tax under section 802 or 811, section 821, or section 831, see paragraph (c) of this section; and

(iii) Returns with respect to the tax imposed by section 511 upon unrelated business income described in section 512, see paragraph (e) of this section.

(h) *Other provisions.* For returns by fiduciaries for corporations, see § 1.6012–3. For information returns by corporations contemplating dissolution or liquidation and for information returns by corporations of distributions in liquidation, see §§ 1.6043–1 and 1.6043–2, respectively. For information returns by corporations relating to corporate dividends, earnings, and profits, see § 1.6042–1. For returns as to formation or reorganization of foreign corporations, see § 1.6046–1. For information returns of officers, directors, and shareholders of foreign personal holding companies, as defined in section 552, see §§ 1.6035–1 and 1.6035–2.

§ 1.6012–3 Returns by fiduciaries.

(a) *For estates and trusts*—(1) *In general.* Every fiduciary, or at least one of joint fiduciaries, must make a return of income on Form 1041—

(i) For each estate for which he acts if the gross income of such estate for the taxable year is $600 or more;

(ii) For each trust for which he acts, except a trust exempt under section 501

(a), if such trust has for the taxable year any taxable income, or has for the taxable year gross income of $600 or more regardless of the amount of taxable income; and

(iii) For each estate and each trust for which he acts, except a trust exempt under section 501 (a), regardless of the amount of income for the taxable year, if any beneficiary of such estate or trust is a nonresident alien.

(2) *Gross income of $5,000 or more.* In cases in which the gross income of the estate or trust is $5,000 or over for any taxable year, a copy of the will or trust instrument, accompanied by a written declaration of the fiduciary under the penalties of perjury that it is a true and complete copy must be filed with the fiduciary return of the estate or trust, together with a statement by the fiduciary indicating the provisions of the will or trust instrument which, in his opinion, determine the extent to which the income of the estate or trust is taxable to the estate or trust, the beneficiaries, or the grantor, respectively. If, however, a copy of the will or trust instrument, and statement relating to the provisions of the will or trust instrument, have once been filed, they need not again be filed if the fiduciary return contains a statement showing when and where they were filed. If the trust instrument is amended in any way after such copies have been filed, a copy of the amendment must be filed by the fiduciary with the return for the taxable year in which the amendment was made. The fiduciary must also file with such amendment a statement indicating the effect, if any, in his opinion, of the amendment on the extent to which the income of the estate or trust is taxable to the estate or trust, the beneficiaries, or the grantor, respectively.

(3) *Domiciliary and ancillary representatives.* In the case of an estate required to file a return under subparagraph (1) of this paragraph, having both domiciliary and ancillary representatives, the domiciliary and ancillary representatives must each file a return on Form 1041. The domiciliary representative is required to include in the return rendered by him as such domiciliary representative the entire income of the estate. The return of the ancillary representative shall be filed with the district director for his internal revenue district and shall show the name and address of the domiciliary representative, the amount of gross income received by the ancillary representative, and the deductions to be claimed against such income, including any amount of income properly paid or credited by the ancillary representative to any legatee, heir, or other beneficiary. If the ancillary representative for the estate of a nonresident alien is a citizen or resident of the United States, and the domiciliary representative is a nonresident alien, such ancillary representative is required to render the return otherwise required of the domiciliary representative.

(4) *Two or more trusts.* A trustee of two or more trusts must make a separate return for each trust, even though such trusts were created by the same grantor for the same beneficiary or beneficiaries.

NOTE: Subparagraph (5) of this paragraph, relating to trusts with unrelated business income, was issued as a part of Treasury Decision 6301, approved July 2, 1958.

(b) *For other persons*—(1) *Decedents.* The executor or administrator of the estate of a decedent, or other person charged with the property of a decedent, shall make the return of income required in respect of such decedent. For the decedent's taxable year which ends with the date of his death, the return shall cover the period during which he was alive. For the filing of returns of income for citizens and alien residents of the United States, and alien residents of Puerto Rico, see paragraph (a) of § 1.6012–1. For the filing of a joint return after death of spouse, see paragraph (d) of § 1.6013–1.

(2) *Nonresident alien individuals*—(i) *In general.* Except as otherwise provided in paragraph (b)(6) of § 1.6012–1, a resident or domestic fiduciary or other person charged with the care of the person or property of a nonresident alien individual shall make a return for that individual and pay the tax. However, if the nonresident alien individual has appointed a person in the United States to act as his agent for the purpose of making a return of income, the fiduciary or other person charged with the care of the person or property of that individual shall not be required to make a return and pay the tax in accordance with this subparagraph. In such case, if the fiduciary is required to file Form 1041 for an estate or trust of which the nonresident alien individual is a beneficiary, the fiduciary shall attach a copy of the agency appointment to his return on Form 1041.

(ii) *Income to be returned.* A return of income shall be required under this subparagraph only if the nonresident alien individual is otherwise required to make a return in accordance with paragraph (b) of § 1.6012–1. The provisions of that section shall apply in determining the form of return to be used and the income to be returned.

(iii) *Allowance of deductions and credits.* The nonresident alien individual shall receive the benefit of the deductions and credits allowed to him with respect to the income tax only if, pursuant to section 874, the return so filed in accordance with this subparagraph constitutes a true and accurate return of the taxpayer's total income received from all sources within the United States and required to be returned in accordance with paragraph (b) of § 1.6012–1. However, this subdivision shall not be construed to deny the credits provided by sections 31 and 32 for tax withheld at the source.

(iv) *Alien resident of Puerto Rico.* This subparagraph shall not apply to the return of a nonresident alien individual who is a bona fide resident of Puerto Rico during the entire taxable year. See § 1.876–1.

(v) *Cross reference.* For requirements of withholding of tax at source on nonresident aliens and of returns with respect to such withheld taxes, see §§ 1.1441–1 to 1.1441–5 and §§ 1.1461–1 to 1.1461–3, respectively.

(3) *Persons under a disability.* A fiduciary acting as the guardian of a minor, or as the guardian or committee of an insane person, must make the return of income required in respect of such person unless, in the case of a minor, the minor himself makes the return or causes it to be made.

(4) *Corporations.* A receiver, trustee in dissolution, trustee in bankruptcy, or assignee, who, by order of a court of competent jurisdiction, by operation of law or otherwise, has possession of or holds title to all or substantially all the property or business of a corporation, shall make the return of income for such corporation in the same manner and form as corporations are required to make such returns. Such return shall be filed whether or not the receiver, trustee, or assignee is operating the property or business of the corporation. A receiver in charge of only a small part of the property of a corporation, such as a receiver in mortgage foreclosure proceedings involving merely a small portion of its property, need not make the return of income. See also § 1.6041–1, relating to information at source, and § 1.6042–1, relating to returns regarding corporate dividends, earnings, and profits.

(5) *Individuals in receivership.* A receiver who stands in the place of an individual must make the return of income required in respect of such individual. A receiver of only part of the property of an individual need not file a return, and the individual must make his own return.

(c) *Joint fiduciaries.* In the case of joint fiduciaries, a return is required to be made by only one of such fiduciaries. A return made by one of joint fiduciaries shall contain a statement that the fiduciary has sufficient knowledge of the affairs of the person for whom the return is made to enable him to make the return, and that the return is, to the best of his knowledge and belief, true and correct.

(d) *Other provisions.* For the definition of the term "fiduciary", see section 7701(a)(6) and the regulations thereunder. For information returns required to be made by fiduciaries under section 6041, see § 1.6041–1. As to further duties and liabilities of fiduciaries, see section 6903 and § 301.6903–1 of this chapter.

§ 1.6012–4 Miscellaneous returns.

For returns by regulated investment companies of tax on undistributed capital gain designated for special treatment under section 852(b)(3)(D), see § 1.852–9. For returns with respect to tax withheld from nonresident aliens and foreign corporations, and on tax-free covenant bonds, see §§ 1.1461–1 to 1.1461–3, inclusive. For returns of tax on transfers to avoid income tax, see § 1.1494–1. For the requirement of an annual report by persons completing a Government contract, see 26 CFR (1939) 17.16 (Treasury Decision 4906, approved June 23, 1939), and 26 CFR (1939) 16.15 (Treasury Decision 4909, approved June

28, 1939), as made applicable to section 1471 of the 1954 Code by Treasury Decision 6091, approved August 16, 1954 (19 F.R. 5167).

§ 1.6013 Statutory provisions; joint returns of income tax by husband and wife.

SEC. 6013. *Joint returns of income tax by husband and wife*—(a) *Joint returns.* A husband and wife may make a single return jointly of income taxes under subtitle A, even though one of the spouses has neither gross income nor deductions, except as provided below:

(1) No joint return shall be made if either the husband or wife at any time during the taxable year is a nonresident alien;

(2) No joint return shall be made if the husband and wife have different taxable years; except that if such taxable years begin on the same day and end on different days because of the death of either or both, then the joint return may be made with respect to the taxable year of each. The above exception shall not apply if the surviving spouse remarries before the close of his taxable year, nor if the taxable year of either spouse is a fractional part of a year under section 443(a)(1);

(3) In the case of death of one spouse or both spouses the joint return with respect to the decedent may be made only by his executor or administrator; except that in the case of the death of one spouse the joint return may be made by the surviving spouse with respect to both himself and the decedent if no return for the taxable year has been made by the decedent, no executor or administrator has been appointed, and no executor or administrator is appointed before the last day prescribed by law for filing the return of the surviving spouse. If an executor or administrator of the decedent is appointed after the making of the joint return by the surviving spouse, the executor or administrator may disaffirm such joint return by making, within 1 year after the last day prescribed by law for filing the return of the surviving spouse, a separate return for the taxable year of the decedent with respect to which the joint return was made, in which case the return made by the survivor shall constitute his separate return.

(b) *Joint return after filing separate return*—(1) *In general.* Except as provided in paragraph (2), if an individual has filed a separate return for a taxable year for which a joint return could have been made by him and his spouse under subsection (a) and the time prescribed by law for filing the return for such taxable year has expired, such individual and his spouse may nevertheless make a joint return for such taxable year. A joint return filed by the husband and wife under this subsection shall constitute the return of the husband and wife for such taxable year, and all payments, credits, refunds, or other repayments made or allowed with respect to the separate return of either spouse for such taxable year shall be taken into account in determining the extent to which the tax based upon the joint return has been paid. If a joint return is made under this subsection, any election (other than the election to file a separate return) made by either spouse in his separate return for such taxable year with respect to the treatment of any income, deduction, or credit of such spouse shall not be changed in the making of the joint return where such election would have been irrevocable if the joint return had not been made. If a joint return is made under this subsection after the death of either spouse, such return with respect to the decedent can be made only by his executor or administrator.

(2) *Limitations for making of election.* The election provided for in paragraph (1) may not be made—

(A) Unless there is paid in full at or before the time of the filing of the joint return the amount shown as tax upon such joint return; or

(B) After the expiration of 3 years from the last date prescribed by law for filing the return for such taxable year (determined without regard to any extension of time granted to either spouse); or

(C) After there has been mailed to either spouse, with respect to such taxable year, a notice of deficiency under section 6212, if the spouse, as to such notice, files a petition with the Tax Court of the United States within the time prescribed in section 6213; or

(D) After either spouse has commenced a suit in any court for the recovery of any part of the tax for such taxable year; or

(E) After either spouse has entered into a closing agreement under section 7121 with respect to such taxable year, or after any civil or criminal case arising against either spouse with respect to such taxable year has been compromised under section 7122.

(3) *When return deemed filed*—(A) *Assessment and collection.* For purposes of section 6501 (relating to periods of limitations on assessment and collection), and for purposes of section 6651 (relating to delinquent returns), a joint return made under this subsection shall be deemed to have been filed—

(i) Where both spouses filed separate returns prior to making the joint return—on the date the last separate return was filed (but not earlier than the last date prescribed by law for filing the return of either spouse);

(ii) Where only one spouse filed a separate return prior to the making of the joint return, and the other spouse had less than $600 of gross income ($1,200 in case such spouse was 65 or over) for such taxable year—on the date of the filing of such separate return (but not earlier than the last date prescribed by law for the filing of such separate return); or

(iii) Where only one spouse filed a separate return prior to the making of the joint return, and the other spouse had gross income of $600 or more ($1,200 in case such spouse was 65 or over) for such taxable year—on the date of the filing of such joint return.

(B) *Credit or refund.* For purposes of section 6511, a joint return made under this subsection shall be deemed to have been filed on the last date prescribed by law for filing the return for such taxable year (determined without regard to any extension of time granted to either spouse).

(4) *Additional time for assessment.* If a joint return is made under this subsection, the periods of limitations provided in sections 6501 and 6502 on the making of assessments and the beginning of levy or a proceeding in court for collection shall with respect to such return include one year immediately after the date of the filing of such joint return (computed without regard to the provisions of paragraph (3)).

(5) *Additions to the tax and penalties*—(A) *Additions to the tax.* Where the amount shown as the tax by the husband and wife on a joint return made under this subsection exceeds the aggregate of the amounts shown as the tax upon the separate return of each spouse—

(i) *Negligence.* If any part of such excess is attributable to negligence or intentional disregard of rules and regulations (but without intent to defraud) at the time of the making of such separate return, then 5 percent of the total amount of such excess shall be added to the tax;

(ii) *Fraud.* If any part of such excess is attributable to fraud with intent to evade tax at the time of the making of such separate return, then 50 percent of the total amount of such excess shall be added to the tax.

(B) *Criminal penalty.* For purposes of section 7206 (1) and (2) and section 7207 (relating to criminal penalties in the case of fraudulent returns) the term "return" includes a separate return filed by a spouse with respect to a taxable year for which a joint return is made under this subsection after the filing of such separate return.

(c) *Treatment of joint return after death of either spouse.* For purposes of sections 21, 443, and 7851(a)(1)(A), where the husband and wife have different taxable years because of the death of either spouse, the joint return shall be treated as if the taxable years of both spouses ended on the date of the closing of the surviving spouse's taxable year.

(d) *Definitions.* For purposes of this section—

(1) The status as husband and wife of two individuals having taxable years beginning on the same day shall be determined—

(A) If both have the same taxable year—as of the close of such year; and

(B) If one dies before the close of the taxable year of the other—as of the time of such death; and

(2) An individual who is legally separated from his spouse under a decree of divorce or of separate maintenance shall not be considered as married; and

(3) If a joint return is made, the tax shall be computed on the aggregate income and the liability with respect to the tax shall be joint and several.

[Sec. 6013 as amended by sec. 73, Technical Amendments Act of 1958 (72 Stat. 1660)]

§ 1.6013–1 Joint returns.

(a) *In general.* (1) A husband and wife may elect to make a joint return under section 6013(a) even though one of the spouses has no gross income or deductions. For rules for determining whether individuals occupy the status of husband and wife for purposes of filing a joint return, see paragraph (a) of § 1.6013–4. For any taxable year with respect to which a joint return has been filed, separate returns shall not be made by the spouses after the time for filing the return of either has expired. See, however, paragraph (d)(5) of this section for the right of an executor to file a late separate return for a deceased spouse and thereby disaffirm a timely joint return made by the surviving spouse.

(2) A joint return of a husband and wife (if not made by an agent) shall be signed by both spouses. The provisions of paragraph (a) (5) of § 1.6012–1, relating to returns made by agents, shall apply where one spouse signs a return as agent for the other, or where a third party signs a return as agent for both spouses.

(b) *Nonresident alien.* A joint return shall not be made if either the husband or wife at any time during the taxable year is a nonresident alien.

(c) *Different taxable years.* Except as otherwise provided in this section, a husband and wife shall not file a joint return if they have different taxable years.

(d) *Joint return after death.* (1) Section 6013 (a)(2) provides that a joint return may be made for the survivor and the deceased spouse or for both deceased spouses if the taxable years of such spouses begin on the same day and end on different days only because of the death of either or both. Thus, if a husband and wife make their returns on a calendar year basis, and the wife dies on August 1, 1956, a joint return may be

made with respect to the calendar year 1956 of the husband and the taxable year of the wife beginning on January 1, 1956, and ending with her death on August 1, 1956. Similarly, if husband and wife both make their returns on the basis of a fiscal year beginning on July 1 and the wife dies on October 1, 1956, a joint return may be made with respect to the fiscal year of the husband beginning on July 1, 1956, and ending on June 30, 1957, and with respect to the taxable year of the wife beginning on July 1, 1956, and ending with her death on October 1, 1956.

(2) The provision allowing a joint return to be made for the taxable year in which the death of either or both spouses occurs is subject to two limitations. The first limitation is that if the surviving spouse remarries before the close of his taxable year, he shall not make a joint return with the first spouse who died during the taxable year. In such a case, however, the surviving spouse may make a joint return with his new spouse provided the other requirements with respect to the filing of a joint return are met. The second limitation is that the surviving spouse shall not make a joint return with the deceased spouse if the taxable year of either spouse is a fractional part of a year under section 443 (a)(1) resulting from a change of accounting period. For example, if a husband and wife make their returns on the calendar year basis and the wife dies on March 1, 1956, and thereafter the husband receives permission to change his annual accounting period to a fiscal year beginning July 1, 1956, no joint return shall be made for the short taxable year ending June 30, 1956. Similarly, if a husband and wife who make their returns on a calendar year basis receive permission to change to a fiscal year beginning July 1, 1956, and the wife dies on June 1, 1956, no joint return shall be made for the short taxable year ending June 30, 1956.

(3) Section 6013 (a)(3) provides for the method of making a joint return in the case of the death of one spouse or both spouses. The general rule is that, in the case of the death of one spouse, or of both spouses, the joint return with respect to the decedent may be made only by his executor or administrator, as defined in paragraph (c) of § 1.6013–4. An exception is made to this general rule whereby, in the case of the death of one spouse, the joint return may be made by the surviving spouse with respect to both him and the decedent if all the following conditions exist:

(i) No return has been made by the decedent for the taxable year in respect of which the joint return is made;

(ii) No executor or administrator has been appointed at or before the time of making such joint return; and

(iii) No executor or administrator is appointed before the last day prescribed by law for filing the return of the surviving spouse.

These conditions are to be applied with respect to the return for each of the taxable years of the decedent for which a joint return may be made if more than one such taxable year is involved. Thus, in the case of husband and wife on the calendar year basis, if the wife dies in February 1957, a joint return for the husband and wife for 1956 may be made if the conditions set forth in this subparagraph are satisfied with respect to such return. A joint return also may be made by the survivor for both himself and the deceased spouse for the calendar year 1957 if it is separately determined that the conditions set forth in this subparagraph are satisfied with respect to the return for such year. If, however, the deceased spouse should, prior to her death, make a return for 1956, the surviving spouse may not thereafter make a joint return for himself and the deceased spouse for 1956.

(4) If an executor or administrator is appointed at or before the time of making the joint return or before the last day prescribed by law for filing the return of the surviving spouse, the surviving spouse cannot make a joint return for himself and the deceased spouse whether or not a separate return for the deceased spouse is made by such executor or administrator. In such a case, any return made solely by the surviving spouse shall be treated as his separate return. The joint return, if one is to be made, must be made by both the surviving spouse and the executor or administrator. In determining whether an executor or administrator is appointed before the last day prescribed by law for filing the return of the surviving spouse, an extension of time for making the return is included.

(5) If the surviving spouse makes the joint return provided for in subparagraph (3) of this paragraph and thereafter an executor or administrator of the decedent is appointed, the executor or administrator may disaffirm such joint return. This disaffirmance, in order to be effective, must be made within one year after the last day prescribed by law for filing the return of the surviving spouse (including any extension of time for filing such return) and must be made in the form of a separate return for the taxable year of the decedent with respect to which the joint return was made. In the event of such proper disaffirmance the return made by the survivor shall constitute his separate return, that is, the joint return made by him shall be treated as his return and the tax thereon shall be computed by excluding all items properly includible in the return of the deceased spouse. The separate return made by the executor or administrator shall constitue the return of the deceased spouse for the taxable year.

(6) The time allowed the executor or administrator to disaffirm the joint return by the making of a separate return does not establish a new due date for the return of the deceased spouse. Accordingly, the provisions of sections 6651 and 6601, relating to delinquent returns and delinquency in payment of tax, are applicable to such return made by the executor in disaffirmance of the joint return.

(c) *Return of surviving spouse treated as joint return.* For provisions relating to the treatment of the return of a surviving spouse as a joint return for each of the next two taxable years following the year of the death of the spouse, see section 2 and § 1.2–2.

§ 1.6013–2 Joint return after filing separate return.

(a) *In general.* (1) Where an individual has filed a separate return for a taxable year for which a joint return could have been made by him and his spouse under section 6013(a), and the time prescribed by law for filing the return for such taxable year has expired, such individual and his spouse may, under conditions hereinafter set forth, make a joint return for such taxable year. The joint return filed pursuant to section 6013(b) shall constitute the return of the husband and wife for such year, and all payments, credits, refunds, or other repayments, made or allowed with respect to the separate return of either spouse are to be taken into account in determining the extent to which the tax based on the joint return has been paid.

(2) If a joint return is made under section 6013(b), any election, other than the election to file a separate return, made by either spouse in his separate return for the taxable year with respect to the treatment of any income, deduction, or credit of such spouse shall not be changed in the making of the joint return where such election would have been irrevocable if the joint return had not been made. Thus, if one spouse has made an irrevocable election to adopt and use the last-in, first-out inventory method under section 472, this election may not be changed upon making the joint return under section 6013(b).

(3) A joint return made under section 6013(b) after the death of either spouse shall, with respect to the decedent, be made only by his executor or administrator. Thus, where no executor or administrator has been appointed, a joint return cannot be made under section 6013(b).

(b) *Limitations with respect to making of election.* A joint return shall not be made under section 6013(b)(1) with respect to a taxable year—

(1) Unless there is paid in full at or before the time of the filing of the joint return the amount shown as tax upon such joint return; or

(2) After the expiration of three years from the last day prescribed by law for filing the return for such taxable year determined without regard to any extension of time granted to either spouse; or

(3) After there has been mailed to either spouse, with respect to such taxable year, a notice of deficiency under section 6212, if the spouse, as to such notice, files a petition with the Tax Court of the United States within the time prescribed in section 6213; or

(4) After either spouse has commenced a suit in any court for the recovery of any part of the tax for such taxable year; or

(5) After either spouse has entered into a closing agreement under section 7121 with respect to such taxable year, or after any civil or criminal case arising against either spouse with respect to such

taxable year has been compromised under section 7122.

(c) *When return deemed filed; assessment and collection; credit or refund.* (1) For the purpose of section 6501, relating to the period of limitations upon assessment and collection, and section 6651, relating to delinquent returns, a joint return made under section 6013(b) shall be deemed to have been filed, giving due regard to any extension of time granted to either spouse, on the following date:

(i) Where both spouses filed separate returns, prior to making the joint return under section 6013(b), on the date the last separate return of either spouse was filed for the taxable year, but not earlier than the last date prescribed by law for the filing of the return of either spouse;

(ii) Where only one spouse was required and did file a return prior to the making of the joint return under section 6013(b), on the date of the filing of the separate return, but not earlier than the last day prescribed by law for the filing of such return; or

(iii) Where both spouses were required to file a return, but only one spouse did so file, on the date of the filing of the joint return under section 6013(b).

(2) For the purpose of section 6511, relating to refunds and credits, a joint return made under section 6013(b) shall be deemed to have been filed on the last date prescribed by law for filing the return for such taxable year, determined without regard to any extension of time granted to either spouse for filing the return or paying the tax.

(d) *Additional time for assessment.* In the case of a joint return made under section 6013(b), the period of limitations provided in sections 6501 and 6502 shall not be less than one year after the date of the actual filing of such joint return. The expiration of the one year is to be determined without regard to the rules provided in paragraph (c)(1) of this section, relating to the application of sections 6501 and 6651 with respect to a joint return made under section 6013(b).

(e) *Additions to the tax and penalties.* (1) Where the amount shown as the tax by the husband and wife on a joint return made under section 6013(b) exceeds the aggregate of the amounts shown as tax on the separate return of each spouse, and such excess is attributable to negligence, intentional disregard of rules and regulations, or fraud at the time of the making of such separate return, there shall be assessed, collected, and paid in the same manner as if it were a deficiency an additional amount as provided by the following:

(i) If any part of such excess is attributable to negligence, or intentional disregard of rules and regulations, at the time of the making of such separate return, but without any intent to defraud, this additional amount shall be 5 percent of the total amount of the excess.

(ii) If any part of such excess is attributable to fraud with intent to evade tax at the time of the making of such separate return, this additional amount shall be 50 percent of the total amount of the excess. The latter addition is in lieu of the 50 percent addition to the tax provided in section 6653(b).

(2) For purposes of section 7206 (1) and (2) and section 7207 (relating to criminal penalties in the case of fraudulent returns), the term "return" includes a separate return filed by a spouse with respect to a taxable year for which a joint return is made under section 6013 (b) after the filing of a separate return.

§ 1.6013–3 Treatment of joint return after death of either spouse.

For purposes of section 21 (relating to change in rates during a taxable year), section 443 (relating to returns for a period of less than 12 months), and section 7851(a)(1)(A) (relating to the applicability of certain provisions of the Internal Revenue Codes of 1954 and 1939), where the husband and wife have different taxable years because of death of either spouse, the joint return shall be treated as if the taxable years of both ended on the date of the closing of the surviving spouse's taxable year. Thus, in cases where the 1939 Code otherwise would apply to the taxable year of the decedent spouse and the 1954 Code would apply to the taxable year of the surviving spouse, this provision makes the 1954 Code applicable to the taxable years of both spouses if a joint return is filed.

§ 1.6013–4 Applicable rules.

(a) *Status as husband and wife.* For the purpose of filing a joint return under section 6013, the status as husband and wife of two individuals having taxable years beginning on the same day shall be determined—

(1) If the taxable year of each individual is the same, as of the close of such year; and

(2) If the close of the taxable year is different by reason of the death of one spouse, as of the time of such death.

An individual legally separated from his spouse under a decree of divorce or of separate maintenance shall not be considered as married. However, the mere fact that spouses have not lived together during the course of the taxable year shall not prohibit them from making a joint return. A husband and wife who are separated under an interlocutory decree of divorce retain the relationship of husband and wife until the decree becomes final. The fact that the taxpayer and his spouse are divorced or legally separated at any time after the close of the taxable year shall not deprive them of their right to file a joint return for such taxable year under section 6013.

(b) *Computation of income, deductions, and tax.* If a joint return is made, the gross income and adjusted gross income of husband and wife on the joint return are computed in an aggregate amount and the deductions allowed and the taxable income are likewise computed on an aggregate basis. Deductions limited to a percentage of the adjusted gross income, such as the deduction for charitable, etc., contributions and gifts, under section 170, will be allowed with reference to such aggregate adjusted gross income. A similar rule is applied in the case of the limitation of section 1211(b) on the allowance of losses resulting from the sale or exchange of capital assets (see § 1.1211–1). Although there are two taxpayers on a joint return, there is only one taxable income. The tax on the joint return shall be computed on the aggregate income and the liability with respect to the tax shall be joint and several. For computation of tax on the basis of the splitting of income in the case of a joint return, see § 1.2–1. For tax in the case of a joint return of husband and wife electing to pay the optional tax under section 3, see § 1.3–1 and paragraph (c) of § 1.6014–1. For separate computations of the self-employment tax of each spouse on a joint return, see paragraph (b) of § 1.6017–1.

(c) *Definition of executor or administrator.* For purposes of section 6013 the term "executor or administrator" means the person who is actually appointed to such office and not a person who is merely in charge of the property of the decedent.

§ 1.6014 Statutory provisions; income tax return—tax not computed by taxpayer.

SEC. 6014. *Income tax return—tax not computed by taxpayer*—(a) *Election by taxpayer.* An individual entitled to elect to pay the tax imposed by section 3 whose gross income is less than $5,000 and includes no income other than remuneration for services performed by him as an employee, dividends or interest, and whose gross income other than wages, as defined in section 3401 (a), does not exceed $100, shall at his election not be required to show on the return the tax imposed by section 1. Such election shall be made by using the form prescribed for purposes of this section and shall constitute an election to pay the tax imposed by section 3. In such case the tax shall be computed by the Secretary or his delegate who shall mail to the taxpayer a notice stating the amount determined as payable. In determining the amount payable, the credit against such tax provided for by section 34 or 37 shall not be allowed. In the case of a head of household (as defined in section 1(b)) or a surviving spouse (as defined in section 2(b)) electing the benefits of this subsection, the tax shall be computed by the Secretary or his delegate without regard to the taxpayer's status as a head of household or as a surviving spouse.

(b) *Regulations.* The Secretary or his delegate shall prescribe regulations for carrying out this section, and such regulations may provide for the application of the rules of this section to cases where the gross income includes items other than those enumerated by subsection (a), to cases where the gross income from sources other than wages on which the tax has been withheld at the source is more than $100 but not more than $200, and to cases where the gross income is $5,000 or more but not more than $5,200. Such regulations shall provide for the application of this section in the case of husband and wife, including provisions determining when a joint return under this section may be permitted or required, whether the liability shall be joint and several, and whether one spouse may make return under this section and the other without regard to this section.

§ 1.6014–1 Tax not computed by taxpayer with gross income less than $5,000.

(a) *In general.* If an individual is entitled under § 1.6012–1(a)(7) to use as his return Form 1040A, he may elect not to show thereon the amount of the

tax due in connection with such return if his gross income is less than $5,000.

(b) *Computation and payment of tax.* A taxpayer who, in accordance with paragraph (a) of this section, elects not to show the tax on Form 1040A is not required to pay the unpaid balance of such tax at the time he files the return. In such case, the tax will be computed for the taxpayer by the Internal Revenue Service, and a notice will be mailed to the taxpayer stating the amount of tax due. Where it is determined that a refund of tax is due, the Internal Revenue Service will send such refund to the taxpayer. See paragraph (c) of § 301.6402–3 of this chapter.

(c) *Joint return.* (1) A husband and wife who, pursuant to § 1.6012–1(a)(7), file a joint return on Form 1040A may elect not to show the tax on such return if their aggregate gross income for the taxable year is less than $5,000.

(2) The tax computed for the taxpayer who files Form 1040A and elects not to show thereon the tax due shall be the lesser of the following amounts:

(i) A tax computed as though the return on Form 1040A constituted the separate returns of the spouses, or

(ii) A tax computed as though the return on Form 1040A constituted a joint return.

§ 1.6017 Statutory provisions; self-employment tax returns.

SEC. 6017. *Self-employment tax returns.* Every individual (other than a nonresident alien individual) having net earnings from self-employment of $400 or more for the taxable year shall make a return with respect to the self-employment tax imposed by chapter 2. In the case of a husband and wife filing a joint return under section 6013, the tax imposed by chapter 2 shall not be computed on the aggregate income but shall be the sum of the taxes computed under such chapter on the separate self-employment income of each spouse.

§ 1.6017–1 Self-employment tax returns.

(a) *In general.* Every individual, other than a nonresident alien, having net earnings from self-employment, as defined in section 1402, of $400 or more for the taxable year shall make a return of such earnings. Except as otherwise provided in this section, such return shall be made on Form 1040 in accordance with the instructions issued with respect to such form. The form to be used by residents of the Virgin Islands is Form 1040 V.I. Residents of Puerto Rico who are required to make a return of income under section 6012(a) shall make a return of such income and earnings from self-employment on Form 1040. Residents of Puerto Rico who are not required to make a return of income under section 6012 (a) but are required to make a return of self-employment tax shall make such return on Form 1040 P.R. For purposes of this section, an individual who is a resident of the Virgin Islands or of Puerto Rico is not to be considered a nonresident alien individual. See § 1.1402 (b)–1. Provisions applicable to returns under section 6012 (a) shall be applicable to returns under this section. A return is required under this section if an individual has self-employment income, as defined in section 1402(b), even though he may not be required to make a return under section 6012 for purposes of the tax imposed by section 1 or 3.

(b) *Joint returns.* (1) In the case of a husband and wife filing a joint return under section 6013, the tax on self-employment income is computed on the separate self-employment income of each spouse, and not on the aggregate of the two amounts. The requirement of section 6013(d)(3) that in the case of a joint return the tax is computed on the aggregate income of the spouses is not applicable with respect to the tax on self-employment income. Where the husband and wife each has net earnings from self-employment of $400 or more, it will be necessary for each to complete separate schedules of the computation of self-employment tax with respect to the net earnings of each spouse, despite the fact that a joint return is filed. If the net earnings from self-employment of either the husband or the wife are less than $400, such net earnings are not subject to the tax on self-employment income, even though they must be shown on the joint return for purposes of the tax imposed by section 1 or 3.

(2) Except as otherwise expressly provided, section 6013 is applicable to the return of the tax on self-employment income; therefore, the liability with respect to such tax in the case of a joint return is joint and several.

(c) *Social security account numbers.* Every individual making a return of net earnings from self-employment is required to show thereon his social security account number, or, if he has no such account number, to make application therefor on Form SS–5 before filing such return. However, the failure to apply for or receive a social security account number will not excuse the individual from the requirement that he file such return on or before the due date thereof. Form SS–5 may be obtained from any district office of the Social Security Administration or from any district director of internal revenue. The application on Form SS–5 shall be filed with the district office of the Social Security Administration nearest the legal residence or principal place of business of such individual, or if he has no legal residence or principal place of business within the United States, Puerto Rico, or the Virgin Islands, with the office of the Social Security Administration at Baltimore, Maryland. An individual who has previously secured a social security account number as an employee shall use that account number on his return of net earnings from self-employment.

§ 1.6031 Statutory provisions; return of partnership income.

SEC. 6031. *Return of partnership income.* Every partnership (as defined in section 761 (a)) shall make a return for each taxable year, stating specifically the items of its gross income and the deductions allowable by subtitle A, and such other information for the purpose of carrying out the provisions of subtitle A as the Secretary or his delegate may by forms and regulations prescribe, and shall include in the return the names and addresses of the individuals who would be entitled to share in the taxable income if distributed and the amount of the distributive share of each individual.

§ 1.6031–1 Return of partnership income.

(a) *In general.* Except as provided in paragraphs (b) and (d) of this section with respect to certain organizations excluded from the application of subchapter K of chapter 1 of the Code and certain partnerships having no United States business, an unincorporated organization defined as a partnership in section 761(a), through or by means of which any business, financial operation, or venture is carried on, shall make a return for each taxable year on Form 1065. For purposes of filing a partnership return, an unincorporated organization will not be considered, within the meaning of section 761(a), to carry on a business, financial operation, or venture as a partnership before the first taxable year in which such organization receives income or makes or incurs any expenditures treated as deductions for Federal income tax purposes. Such return shall state specifically the items of partnership gross income and the deductions allowable by subtitle A of the Code and shall include the names and addresses of all the partners and the amount of the distributive shares of income, gain, loss, deduction, or credit allocated to each partner. Such return shall be made for the taxable year of the partnership, irrespective of the taxable years of the partners. For taxable years of a partnership and of a partner, see section 706 and § 1.706–1. For signing of a partnership return, see § 1.6063–1.

(b) *Unincorporated organizations excluded from the application of subchapter K*—(1) *Wholly excluded.* (i) Any unincorporated organization with respect to which under section 761(a) an election to be excluded from all the provisions of subchapter K of chapter 1 of the Code has been made shall file Form 1065 for the first year with respect to which such an election has been made, and such return shall contain in lieu of the information therein required only the name, or other identification, and the address of the organization. See section 761 and paragraph (a)(2)(iv) of § 1.761–1.

(ii) For each subsequent calendar year or portion thereof for which it is wholly excluded from the application of subchapter K of chapter 1 of the Code such an unincorporated organization shall file Form 1096 for the organization and Form 1099 for each person who was a member of the organization during any part of the calendar year. See section 761 and paragraph (a)(2)(v)(*a*) of § 1.761–1.

(2) *Partially excluded.* Any unincorporated organization excluded from the application of part of subchapter K of chapter 1 of the Code shall file a return on Form 1065 containing such information as the Commissioner may require. See section 761 and paragraph (a)(2)(v)(*b*) of § 1.761–1.

(c) *Partnerships having business or source of income within the United States.* Every partnership engaged in trade or business, or having income from sources, within the United States shall

file a partnership return in accordance with this section, whether or not its principal place of business is outside of the United States, and whether or not all its members are nonresident aliens.

(d) *Partnerships having no United States business*—(1) *No return required from partnership.* A partnership carrying on no business in the United States and deriving no income from sources within the United States need not file a partnership return.

(2) *Returns of information with respect to partnership required of citizen or resident partners.* Where a United States citizen or resident is a partner in a partnership described in subparagraph (1) of this paragraph which is not required to file a partnership return, the district director with whom such person files his separate return may require such person to render such statements or provide such information as is necessary to show whether or not such person is liable for tax on income derived from such partnership. In addition, if an election in accordance with the provisions of section 703 (relating to elections affecting the computation of taxable income derived from a partnership) or section 761 (relating to the election to be excluded from the application of all or part of subchapter K of chapter 1 of the Code) is to be made by or for the partnership, a return on Form 1065 shall be filed for such partnership. See section 6063 and § 1.6063–1, relating to the authority of a partner to sign a partnership return. The filing of one such return for a taxable year of the partnership by a citizen or resident partner shall constitute a filing for the partnership of such partnership return.

(e) *Place and time for filing returns*—(1) *Place for filing.* The returns of partnerships doing business, or having income from sources, within the United States shall be filed with the district director for the internal revenue district in which the partnership has its principal office or principal place of business within the United States. If a partnership has no office, place of business, or agency within the United States, the return shall be filed with the Director, International Operations Division, Internal Revenue Service, Washington 25, D.C. A partnership return filed under the authority of paragraph (d) (2) of this section shall be filed with the internal revenue officer with whom the citizen or resident partner files his separate income tax return.

(2) *Time for filing.* The return of a partnership shall be filed on or before the fifteenth day of the fourth month following the close of the taxable year of the partnership, except that the return of a partnership consisting entirely of nonresident aliens shall be filed on or before the fifteenth day of the sixth month following the close of the taxable year of the partnership.

§ 1.6032 Statutory provisions; returns of banks with respect to common trust funds.

SEC. 6032. *Returns of banks with respect to common trust funds.* Every bank (as defined in section 581) maintaining a common trust fund shall make a return for each taxable year, stating specifically, with respect to such fund, the items of gross income and the deductions allowed by subtitle A, and shall include in the return the names and addresses of the participants who would be entitled to share in the taxable income if distributed and the amount of the proportionate share of each participant. The return shall be executed in the same manner as a return made by a corporation pursuant to the requirements of sections 6012 and 6062.

§ 1.6032–1 Returns of banks with respect to common trust funds.

Every bank (as defined in section 581) maintaining a common trust fund shall make a return of income of the common trust fund, regardless of the amount of its taxable income. If a bank maintains more than one common trust fund, a separate return shall be made for each. No particular form is prescribed for making the return under this section, but Form 1065 may be used if it is designated by the bank as the return of a common trust fund. The return shall be made for the taxable year of the common trust fund and shall be filed on or before the fifteenth day of the fourth month following the close of such taxable year with the district director for the district in which the income tax return of the bank is filed. Such return shall state specifically with respect to the fund the items of gross income and the deductions allowed by subtitle A of the Code, and shall include each participant's name and address, the participant's proportionate share of taxable income or net loss (exclusive of gains and losses from sales or exchanges of capital assets), and the participant's proportionate share of gains and losses from sales or exchanges of capital assets. See § 1.584–2. A copy of the plan of the common trust fund must be filed with the return. If, however, a copy of such plan has once been filed with a return, it need not again be filed if the return contains a statement showing when and where it was filed. If the plan is amended in any way after such copy has been filed, a copy of the amendment must be filed with the return for the taxable year in which the amendment was made. For the signing of a return of a bank with respect to common trust funds, see § 1.6062–1, relating to the manner prescribed for the signing of a return of a corporation.

NOTE: Sections 1.6033 and 1.6033–1 have been issued as a part of Treasury Decision 6203, approved September 13, 1956, and Treasury Decision 6301, approved July 2, 1958.

§ 1.6034 Statutory provisions; returns by trusts claiming charitable deductions under section 642(c).

SEC. 6034. *Returns by trusts claiming charitable deductions under section 642 (c)*—(a) *General rule.* Every trust claiming a charitable, etc., deduction under section 642(c) for the taxable year shall furnish such information with respect to such taxable year as the Secretary or his delegate may by forms or regulations prescribe, setting forth—

(1) The amount of the charitable, etc., deduction taken under section 642(c) within such year (showing separately the amount of such deduction which was paid out and the amount which was permanently set aside for charitable, etc., purposes during such year),

(2) The amount paid out within such year which represents amounts for which charitable, etc., deductions under section 642 (c) have been taken in prior years,

(3) The amount for which charitable, etc., deductions have been taken in prior years but which has not been paid out at the beginning of such year,

(4) The amount paid out of principal in the current and prior years for charitable, etc., purposes,

(5) The total income of the trust within such year and the expenses attributable thereto, and

(6) A balance sheet showing the assets, liabilities, and net worth of the trust as of the beginning of such year.

(b) *Exception.* This section shall not apply in the case of a taxable year if all the net income for such year, determined under the applicable principles of the law of trusts, is required to be distributed currently to the beneficiaries.

§ 1.6034–1 Information returns required of certain trusts claiming charitable or other deductions under section 642(c).

(a) *In general.* Every trust (other than a trust described in paragraph (b) of this section) claiming a charitable or other deduction under section 642(c) shall file with respect to the taxable year for which such deduction is claimed, a return of information on Form 1041A. The return shall set forth the name and address of the trust and the following information concerning the trust in such detail as is prescribed by the form or in the instructions issued with respect to such form:

(1) The amount of the charitable or other deduction taken under section 642 (c) for the taxable year, showing separately for each class of activity for which disbursements were made (or amounts were permanently set aside) the amounts which, during such year, were paid out (or which were permanently set aside) for charitable or other purposes under section 642(c);

(2) The amount paid out during the taxable year which represents amounts permanently set aside in prior years for which charitable or other deductions have been taken under section 642(c), and separately listing for each class of activity, for which disbursements were made, the total amount paid out;

(3) The amount for which charitable or other deductions have been taken in prior years under section 642(c) and which had not been paid out at the beginning of the taxable year;

(4) (i) The amount paid out of principal in the taxable year for charitable, etc., purposes, and separately listing for each such class of activity, for which disbursements were made, the total amount paid out;

(ii) The total amount paid out of principal in prior years for charitable, etc., purposes;

(5) The gross income of the trust for the taxable year and the expenses attributable thereto, in sufficient detail to show the different categories of income and of expense; and

(6) A balance sheet showing the assets, liabilities, and net worth of the trust as of the beginning of the taxable year.

(b) *Exception.* A trust is not required to file a Form 1041A for any taxable year

with respect to which the trustee is required by the terms of the governing instrument and applicable local law to distribute currently all of the income of the trust. For this purpose, the income of the trust shall be determined in accordance with section 643(b) and §§ 1.643(b)–1 and 1.643(b)–2.

(c) *Time and place for filing return.* The return on Form 1041A shall be filed on or before the fifteenth day of the fourth month following the close of the taxable year of the trust, with the internal revenue officer with whom the fiduciary files the return on Form 1041 for such trust.

(d) *Other provisions.* For publicity of information on Form 1041A, see section 6104 and the regulations thereunder in Part 301 of this chapter. For the criminal penalties for failure to file a return and filing a false or fraudulent return, see sections 7203, 7206, and 7207.

§ 1.6035 Statutory provisions; returns of officers, directors, and shareholders of foreign personal holding companies.

SEC. 6035. *Returns of officers, directors, and shareholders of foreign personal holding companies*—(a) *Officers and directors*—(1) *Monthly returns.* On the 15th day of each month each individual who on such day is an officer or a director of a foreign corporation which, with respect to its taxable year preceding the taxable year in which such month occurs, was a foreign personal holding company (as defined in section 552), shall make a return setting forth with respect to the preceding calendar month the name and address of each shareholder, the class and number of shares held by each, together with any changes in stockholdings during such period, the name and address of any holder of securities convertible into stock of such corporation, and such other information with respect to the stock and securities of the corporation as the Secretary or his delegate shall by forms or regulations prescribe as necessary for carrying out the provisions of this title. The Secretary or his delegate may by regulations prescribe, as the period with respect to which returns shall be made, a longer period than a month. In such case the return shall be due on the 15th day of the succeeding period, and shall be made by the individuals who on such day are officers or directors of the corporation.

(2) *Annual returns.* On the 60th day after the close of the taxable year of a foreign personal holding company (as defined in section 552), each individual who on such 60th day is an officer or director of the corporation shall make a return setting forth—

(A) In complete detail the gross income, deductions and credits, taxable income, and undistributed foreign personal holding company income of such foreign personal holding company for such taxable year; and

(B) The same information with respect to such taxable year as is required in paragraph (1), except that if all the required returns with respect to such year have been filed under paragraph (1), no information under this subparagraph need be set forth in the return filed under this paragraph.

(b) *Shareholders*—(1) *Monthly returns.* On the 15th day of each month each United States shareholder, by or for whom 50 percent or more in value of the outstanding stock of a foreign corporation is owned directly or indirectly (including, in the case of an individual, stock owned by the members of his family as defined in section 544(a)(2)), if such foreign corporation with respect to its taxable year preceding the taxable year in which such month occurs was a foreign personal holding company (as defined in section 552), shall make a return setting forth with respect to the preceding calendar month the name and address of each shareholder, the class and number of shares held by each, together with any changes in stockholdings during such period, the name and address of any holder of securities convertible into stock of such corporation, and such other information with respect to the stock and securities of the corporation as the Secretary or his delegate shall by forms or regulations prescribe as necessary for carrying out the provisions of this title. The Secretary or his delegate may by regulations prescribe, as the period with respect to which returns shall be made, a longer period than a month. In such case the return shall be due on the 15th day of the succeeding period, and shall be made by the persons who on such day are United States shareholders.

(2) *Annual returns.* On the 60th day after the close of the taxable year of a foreign personal holding company (as defined in section 552) each United States shareholder by or for whom on such 60th day 50 percent or more in value of the outstanding stock of such company is owned directly or indirectly (including, in the case of an individual, stock owned by members of his family as defined in section 544(a)(2)) shall make a return setting forth the same information with respect to such taxable year as is required in paragraph (1), except that, if all the required returns with respect to such year have been made under paragraph (1), no return shall be required under this paragraph.

§ 1.6035–1 Returns of officers and directors of foreign personal holding companies for taxable years beginning after December 31, 1958.

(a) *Requirement of returns*—(1) *Form 957.* For taxable years beginning after December 31, 1958, on the fifteenth day of the first month after the close of each such taxable year of a foreign personal holding company (as defined in section 552) each United States citizen or resident who on such day is an officer or director of such company shall file an information return on Form 957 with respect to the stock and securities of the company setting forth the following information with respect to the taxable year:

(i) The name and address of the corporation;

(ii) The kind of business in which the corporation is engaged;

(iii) The date of incorporation;

(iv) The country under the laws of which the corporation is incorporated;

(v) The number of shares and par value of common stock of the corporation outstanding as of the beginning and end of the taxable year;

(vi) The number of shares and par value of preferred stock of the corporation outstanding as of the beginning and end of the taxable year, the rate of dividend on such stock, and whether such dividend is cumulative or noncumulative;

(vii) A description of the convertible securities issued by the corporation, including a statement of the face value of, and rate of interest on, such securities;

(viii) The name and address of each person who was a shareholder during the taxable year and the class and number of shares held by each, together with an explanation of any changes in stockholdings during the taxable year;

(ix) The name and address of each holder during the taxable year of securities convertible into stock of the corporation, and the class, number, and face value of the securities held by each, together with an explanation of any changes in the holdings of such securities during the taxable year;

(x) If any resolution or plan in respect of the dissolution of the corporation or the liquidation of the whole or any part of its capital stock was adopted during the taxable year, a certified copy of such resolution or plan and of any amendments thereof or supplements thereto;

(xi) If the return is for any taxable year in which the corporation was organized or reorganized—

(*a*) The classes and kinds of assets transferred to the corporation for stock or securities of the corporation in connection with its formation, organization, or reorganization;

(*b*) A detailed list of any stock or securities included in the assets transferred to the corporation for stock or securities of the corporation; and

(*c*) The names and addresses of the persons who were the owners of assets transferred to the corporation for stock or securities of the corporation immediately prior to such transfer; and

(xii) Such other information with respect to the stock or securities of the company as may be required by the return form.

(2) *Form 958.* For taxable years beginning after December 31, 1958, on the sixtieth day after the close of the taxable year of a foreign personal holding company (as defined in section 552), each United States citizen or resident who on such day is an officer or director of such company shall file an information return on Form 958 with respect to the income of the corporation for the taxable year setting forth the following information:

(i) The gross income, deductions and credits, taxable income, foreign personal holding company income, and undistributed foreign personal holding company income for such taxable year, in complete detail;

(ii) The same information with respect to such taxable year as is required in subparagraph (1) of this paragraph, except that if all the information required under subparagraph (1) of this paragraph has been submitted, such information need not be set forth in the return on Form 958; and

(iii) Such other information as is required by the return form.

(b) *Returns jointly made.* If two or more officers or directors of a foreign personal holding company are required to file information returns for any taxable year under section 6035(a) and this section, any two or more of such officers or directors may, in lieu of filing separate returns for such year, jointly execute and file the return on Form 957 and the return on Form 958.

(c) *Separate returns for each corporation.* If a person is required to file returns under section 6035(a) and this section with respect to more than one foreign personal holding company, separate returns must be filed with respect to each company.

(d) *Place for filing returns.* Returns required under section 6035(a) and this section shall be filed with the Director, International Operations Division, Internal Revenue Service, Washington 25, D.C.

(e) *Penalties.* For criminal penalties for failure to file a return and filing a false or fraudulent return, see sections 7203, 7206, and 7207.

§ 1.6035–2 Returns of shareholders of foreign personal holding companies for taxable years beginning after December 31, 1958.

(a) *Requirement of return.* For taxable years beginning after December 31, 1958, on the fifteenth day of the first month after the close of each such taxable year of a foreign personal holding company (as defined in section 552) each United States shareholder, by or for whom on such day 50 percent or more in value of the outstanding stock of such company is owned directly or indirectly, shall file an information return on Form 957 for such taxable year. For purposes of this section, an individual shall be considered as owning the stock owned by members of his family, as described in section 544(a)(2). The return shall set forth for the taxable year the same information as is required under paragraph (a)(1) of § 1.6035–1.

(b) *Duplicate returns.* If a shareholder of a foreign personal holding company is required to file a return as an officer or a director of such company under section 6035(a) and paragraph (a)(1) of § 1.6035–1, he shall file such return and not the return required to be filed under section 6035(b) and this section.

(c) *Separate return for each corporation.* If a person is required to file a return under section 6035(b) and this section with respect to more than one foreign personal holding company, a separate return must be filed with respect to each company.

(d) *Place for filing return.* The return required under section 6035(b) and this section shall be filed with the Director, International Operations Division, Internal Revenue Service, Washington 25, D.C.

(e) *Penalties.* For criminal penalties for failure to file a return and filing a false or fraudulent return, see sections 7203, 7206, and 7207.

§ 1.6035–3 Returns of officers, directors, and shareholders of foreign personal holding companies for periods within or for taxable years beginning before January 1, 1959.

(a) For rules relating to information returns required to be filed by officers and directors of foreign personal holding companies for periods within or for taxable years beginning before January 1, 1959, see §§ 39.338–1 and 39.338–2 of Regulations 118 (26 CFR (1939) Part 39) as made applicable under the Internal Revenue Code of 1954 by Treasury Decision 6091, approved August 16, 1954 (19 F.R. 5167).

(b) For rules relating to information returns required to be filed by shareholders of foreign personal holding companies for taxable years beginning before January 1, 1959, see §§ 39.339–1 and 39.339–2 of Regulations 118 (26 CFR (1939) Part 39) as made applicable under the Internal Revenue Code of 1954 by Treasury Decision 6091, approved August 16, 1954 (19 F.R. 5167).

§ 1.6041 Statutory provisions; information at source.

SEC. 6041. *Information at source*—(a) *Payments of $600 or more.* All persons engaged in a trade or business and making payment in the course of such trade or business to another person, of rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable gains, profits, and income (other than payments described in section 6042(1) or section 6045), of $600 or more in any taxable year, or, in the case of such payments made by the United States, the officers or employees of the United States having information as to such payments and required to make returns in regard thereto by the regulations hereinafter provided for, shall render a true and accurate return to the Secretary or his delegate, under such regulations and in such form and manner and to such extent as may be prescribed by the Secretary or his delegate, setting forth the amount of such gains, profits, and income, and the name and address of the recipient of such payment.

(b) *Collection of foreign items.* In the case of collections of items (not payable in the United States) of interest upon the bonds of foreign countries and interest upon the bonds of and dividends from foreign corporations by any person undertaking as a matter of business or for profit the collection of foreign payments of such interest or dividends by means of coupons, checks, or bills of exchange, such person shall make a return according to the forms or regulations prescribed by the Secretary or his delegate, setting forth the amount paid and the name and address of the recipient of each such payment.

(c) *Payments of interest by corporations.* Every corporation making payments of interest, regardless of amounts, shall, when required by regulations of the Secretary or his delegate, make a return according to the forms or regulations prescribed by the Secretary or his delegate, setting forth the amount paid and the name and address of the recipient of each such payment.

(d) *Recipient to furnish name and address.* When necessary to make effective the provisions of this section, the name and address of the recipient of income shall be furnished upon demand of the person paying the income.

§ 1.6041–1 Return of information as to payments of $600 or more.

(a) *General rule.* (1) Except as provided in § 1.6041–3, every person engaged in a trade or business shall make an information return for the calendar year with respect to payments made by him during such year in the course of his trade or business to another person of fixed or determinable—

(i) Salaries, wages, commissions, fees, and other forms of compensation for services rendered aggregating $600 or more;

(ii) Interest, rents, royalties, annuities, pensions, and other gains, profits, and income aggregating $600 or more; or

(iii) Foreign items, as defined in § 1.6041–4, aggregating $600 or more.

The payments described in subdivisions (i), (ii), and (iii) of this subparagraph shall not include any payments described in sections 6042(1), 6043(2), 6044, and 6045.

(2) The return required by this paragraph shall be made on Forms 1099 and 1096, except that the return with respect to distributions to beneficiaries of a trust or of an estate shall be made on Form 1041. A separate Form 1099 shall be furnished for each person to whom such payments of $600 or more are made. For time and place for filing Forms 1099 and 1096, see § 1.6041–6.

(b) *Persons engaged in trade or business.* The term "all persons engaged in a trade or business", as used in section 6041(a), includes not only those so engaged for gain or profit, but also organizations the activities of which are not for the purpose of gain or profit. Thus, the term includes the organizations referred to in section 401(a), 501(c), 501(d) and 521 and in paragraph (g) of this section. On the other hand, section 6041(a) applies only to payments in the course of trade or business; hence it does not apply to an amount paid by the proprietor of a business to a physician for medical services rendered by the physician to the proprietor's child.

(c) *Fixed or determinable income.* Income is fixed when it is to be paid in amounts definitely predetermined. Income is determinable whenever there is a basis of calculation by which the amount to be paid may be ascertained. The income need not be paid annually or at regular intervals. The fact that the payments may be increased or decreased in accordance with the happening of an event does not for purposes of this section make the payments any the less determinable. A salesman working by the month for a commission on sales which is paid or credited monthly receives determinable income.

(d) *Payments specifically included.* (1) Sums paid in respect of life insurance, endowment, or annuity contracts are required to be reported in returns of information—

(i) Unless the payment is made in respect of a life insurance or endowment contract by reason of the death of the insured and is not required to be reported by paragraph (b) of § 1.6041–2, or

(ii) Unless the payment is made by reason of the surrender or lapse of a policy which the insurance company can establish by its records was purchased and paid for by the insured.

(2) Fees for professional services paid to attorneys, physicians, and members of other professions are required to be reported in returns of information if paid by persons engaged in a trade or business and paid in the course of such trade or business.

(3) Amounts paid as prizes and awards which are required to be included in gross income under section 74 and § 1.74–1 when paid in the course of a trade or business shall be reported in returns of information.

(e) *Payment made in medium other than cash.* If any payment required to be reported on Form 1099 is made in property other than money, the fair market value of the property at the time of

payment is the amount to be included on such form.

(f) *When payment deemed made.* For purposes of a return of information, an amount is deemed to have been paid when it is credited or set apart to a person without any substantial limitation or restriction as to the time or manner of payment or condition upon which payment is to be made, and is made available to him so that it may be drawn at any time, and its receipt brought within his own control and disposition.

(g) *Payments made by United States, State, or Territory.* Returns on Forms 1099 and 1096 of payments made by the United States, or a State, Territory, or political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing, shall be made by the officer or employee of the United States, or of such State, Territory, or political subdivision, or of the District of Columbia, or of such agency or instrumentality, as the case may be, having control of such payments or by the officer or employee appropriately designated to make such returns.

§ 1.6041–2 Return of information as to payments to employees.

(a) *In general.* Wages, as defined in section 3401, paid to an employee are required to be reported on Form W–2. All other payments of compensation, including the cash value of payments made in any medium other than cash, to an employee by his employer in the course of the trade or business of the employer must be reported on Form 1099 if the total of such payments and the amount of the employee's wages, if any, required to be reported on Form W–2 equals $600 or more in a calendar year. For example, if a payment of $700 was made to an employee and $400 thereof represents wages subject to withholding under section 3402 and the remaining $300 represents compensation not subject to withholding, the $400 must be reported on Form W–2 and the $300 must be reported on Form 1099.

(b) *Distributions under employees' trust.* Amounts which are distributed or made available to a beneficiary, and to which section 402 (relating to employees' trusts) or section 403 (relating to employee annuity plans) applies, shall be reported on Forms 1099 and 1096 to the extent such amounts are includible in the gross income of such beneficiary when the amounts so includible are $600 or more in any calendar year.

§ 1.6041–3 Payments for which no return of information on Forms 1099 and 1096 is required.

Payments of the following character need not be reported on Forms 1099 and 1096—

(a) Payments of income required to be reported on Forms 1012, 1013, 1042, 1042S, 1000, 1001 (including all special variations thereof), 941, W–2, and W–3;

(b) Payments by a broker to his customer;

(c) Payments of any type made to corporations (except payments described in section 6044 and § 1.6044–1);

(d) Payments of bills for merchandise, telegrams, telephone, freight, storage, and similar charges;

(e) Payments of rent made to real estate agents (but the agent is subject to the requirements of paragraph (a)(1)(ii) of § 1.6041–1);

(f) Payments representing earned income for services rendered without the United States made to a citizen of the United States, if it is reasonable to believe that such amounts will be excluded from gross income under the provisions of section 911 and the regulations thereunder;

(g) Salaries and profits paid or distributed by a partnership to the individual partners;

(h) Payments of commissions to general agents by fire insurance companies or other companies insuring property, except when specifically directed by the Commissioner to be filed;

(i) Advances, reimbursements, or charges for traveling and other business expenses of an employee to the extent that the employee is required to account (within the meaning of the term "account" as set forth in paragraph (b)(4) of § 1.162–17) and does so account to his employer for such expenses;

(j) Amounts paid to persons in the military or civil service of the United States or a State, Territory or political subdivision thereof, or the District of Columbia as an allowance or reimbursement for traveling or other bona fide ordinary and necessary expenses, including an allowance for meals and lodging or a per diem allowance in lieu of subsistence;

(k) Payments of interest on obligations of the United States, or a State, Territory, or political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing (but for requirements for reporting certain such payments by the United States or any agency or instrumentality thereof, see §§ 1.1461–1 to 1.1461–3, inclusive);

(l) Payments of interest on corporate bonds (but for requirements for reporting payments of interest on bonds, mortgages, deeds of trust, or other similar obligations issued before January 1, 1934, and containing a tax-free covenant, see §§ 1.1461–1 to 1.1461–3, inclusive);

(m) Payments made to employees for services performed in Puerto Rico;

(n) Amounts paid to persons in the service of an international organization, as defined in section 7701(a)(18), as an allowance or reimbursement for traveling or other bona fide ordinary and necessary expenses, including an allowance for meals and lodging or a per diem allowance in lieu of subsistence; and

(o) A payment of a type determined by the Commissioner to be paid as an award to an informer or other payment of a similar character made by the United States, a State, Territory, or political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing.

§ 1.6041–4 Returns of information as to foreign items.

(a) *In general.* If the amount of foreign items, as defined in paragraph (b) of this section, paid in any calendar year to a citizen or resident of the United States (individual or fiduciary), or a partnership any member of which is a citizen or resident of the United States, is $600 or more, an information return on Form 1099 setting forth the amount of such items is required to be filed by any person who accepts the item for collection as a matter of business or for profit, such as a bank. As used in this section, the term "collection" includes (1) payment of the foreign item in cash; (2) the crediting of the account of the person presenting the foreign item; (3) the tentative crediting of the account of the person presenting the foreign item until the amount of the foreign item is received by the bank or collecting agent from abroad; and (4) the receipt of foreign items for the purpose of transmitting them abroad for deposits.

(b) *Foreign items defined.* The term "foreign items", as used in this section, means any item of interest upon the bonds of a foreign country or of a nonresident foreign corporation not having a fiscal or paying agent in the United States (including Puerto Rico as if a part of the United States), or any item of dividends upon the stock of such corporation.

(c) *License to collect foreign items.* A bank or agent collecting foreign items is required to obtain a license pursuant to the provisions of section 7001 and the regulations thereunder in Part 301 of this chapter.

§ 1.6041–5 Information as to actual owner.

When a person receiving a payment described in section 6041 is not the actual owner of the income received, the name and address of the actual owner shall be furnished upon demand of the person paying the income, and in default of compliance with such demand the payee becomes liable for the penalties provided. See section 7203.

§ 1.6041–6 Time and place for filing Forms 1099 and 1096 and information to be shown on Form 1099.

Forms 1099 and 1096 for any calendar year shall be filed on or before February 28 of the following year with any of the Internal Revenue Service Centers, the structions for such forms. The name addresses of which are listed in the in- and address of the person making the payment and the name and address of the recipient of the payment shall be stated on Form 1099. If the present address of the recipient is not available, the last known post office address must be given.

§ 1.6042 Statutory provisions; returns regarding corporate dividends, earnings, and profits.

SEC. 6042. *Returns regarding corporate dividends, earnings, and profits.* Every corporation shall, when required by the Secretary or his delegate—

(1) Make a return of its payments of dividends, stating the name and address of, the

number of shares owned by, and the amount of dividends paid to, each shareholder;

(2) Furnish to the Secretary or his delegate a statement of such facts as will enable him to determine the portion of the earnings or profits of the corporation (including gains, profits, and income not taxed) accumulated during such periods as the Secretary or his delegate may specify, which have been distributed or ordered to be distributed, respectively, to its shareholders during such taxable years as the Secretary or his delegate may specify; and

(3) Furnish to the Secretary or his delegate a statement of its accumulated earnings and profits and the names and addresses of the individuals or shareholders who would be entitled to such accumulated earnings and profits if divided or distributed, and of the amounts that would be payable to each.

§ 1.6042–1 Return of information as to payments of dividends.

(a) *Requirement of return*—(1) *In general.* Except as provided in subparagraphs (2) and (3) of this paragraph, every domestic corporation, or foreign corporation engaged in business within the United States or having an office or place of business or a fiscal or paying agent in the United States, making payments during the calendar year of $10 or more of dividends and distributions (other than distributions in liquidation) to any shareholder who is an individual (citizen or resident of the United States), a resident fiduciary, or a resident partnership any member of which is a citizen or resident shall file for the calendar year a return setting for the amount of such payments for such calendar year. A separate return on Form 1099, showing the name and address of the payor and the shareholder, and the amount paid, shall be prepared with respect to each shareholder. These returns shall be accompanied by transmittal Form 1096.

(2) *National farm loan associations and certain other corporations.* A corporation described in section 501(c)(12), (15), or (16), or section 521(b)(1), or a national farm loan association or a production credit association, making a payment of a dividend or a distribution to any shareholder shall file an information return with respect to such payments when they total $100 or more during the calendar year.

(3) *Savings and loan associations, etc.* A savings and loan association, a cooperative bank, a homestead association, a credit union, or a building and loan association is required to file an information return with respect to distributions to a shareholder only if the amount thereof paid to the shareholder during the calendar year, or such amount when aggregated with other payments made to the shareholder during such year of interest, rents, royalties, annuities, pensions, and other gains, profits, and income, as described in paragraph (a)(1)(ii) of § 1.6041–1, totals $600 or more. For this purpose, the term "distributions to a shareholder" includes periodical distributions of earnings on running installment shares of stock paid or credited by a building and loan association to its holders of that class of stock, and the sum received upon withdrawal from a building and loan association in excess of the amounts paid in on account of membership fees and stock subscriptions, consisting of accumulated profits.

(b) *Nontaxable or partly nontaxable distributions.* In the case of a distribution which is made from a depletion or depreciation reserve, or which for any other reason is deemed by the corporation to be nontaxable or partly nontaxable to its shareholders, the corporation shall fill in the information on both sides of Form 1096.

(c) *Information as to actual owner*—(1) *In general.* When the person receiving a payment with respect to which an information return is required under authority of the Internal Revenue Code of 1954 is not the actual owner of the income received, the name and address of the actual owner or payee shall be furnished upon demand of the person paying the income, and in default of a compliance with such demand the payee becomes liable for the penalties provided. See section 7203. Dividends on stock are prima facie the income of the record owner of the stock. If a record owner of stock who is not the actual owner thereof receives dividends on such stock, he shall file a Form 1087 disclosing the name and address of the actual owner or payee, the name of the issuing corporation, the number of shares of such stock, and the amount of dividends received with respect to such stock during the calendar year. Unless such a disclosure is made the record owner will be held liable for any tax based upon such dividends. A separate Form 1087 shall be filed by the record owner for each of the stockholdings of each actual owner for whom he acts as nominee. However, where the record owner is a banking institution, trust company, or brokerage firm, it may, provided it maintains such records as will permit a prompt substantiation of each payment of dividends made to the actual owner, file one Form 1087 for each actual owner for whom it acts as nominee and report thereon the total amount of the dividends paid to such actual owner (without itemization as to the issuing company, class of stock, etc.).

(2) *Exceptions.* The filing of Form 1087 is not required if—

(i) The record owner is required to file a fiduciary return on Form 1041, or a withholding return on Form 1042, disclosing the name and address of the actual owner or payee;

(ii) The actual owner or payee is a nonresident alien individual, foreign partnership, or foreign corporation and the tax has been withheld at the source before receipt of the dividends by the record owner;

(iii) The record owner is a banking institution, a trust company, or a brokerage firm which prepares the individual income tax return of the actual owner, provided the verification on the return with respect to the preparation thereof is executed by such record owner;

(iv) The record owner is a nominee of a banking institution or trust company exercising trust powers, and such banking institution or trust company is required to file a fiduciary return on Form 1041 which reflects the name and address of the actual owner or payee;

(v) The actual owner is an organization exempt from taxation under section 501(a) and is exempt from the requirement of filing a return under section 6033 and paragraph (g) of § 1.6033–1; or

(vi) The record owner is a banking institution or trust company exercising trust powers, or a nominee thereof, and the actual owner is an organization exempt from taxation under section 501(a) for which such banking institution or trust company files an annual return.

See § 1.1441–1, relating to withholding of tax on nonresident alien individuals, and § 1.1442–1, relating to withholding of tax on nonresident foreign corporations.

(d) *Time and place for filing.* Forms 1099, 1096, and 1087 for any calendar year shall be filed on or before February 28 of the following year with any of the Internal Revenue Service Centers, the addresses of which are listed in the instructions for such forms.

§ 1.6043 Statutory provisions; return regarding corporate dissolution or liquidation.

SEC. 6043. *Return regarding corporate dissolution or liquidation.* Every corporation shall—

(1) Within 30 days after the adoption by the corporation of a resolution or plan for the dissolution of the corporation or for the liquidation of the whole or any part of its capital stock, make a return setting forth the terms of such resolution or plan and such other information as the Secretary or his delegate shall by forms or regulations prescribe; and

(2) When required by the Secretary or his delegate, make a return regarding its distributions in liquidation, stating the name and address of, the number and class of shares owned by, and the amount paid to, each shareholder, or, if the distribution is in property other than money, the fair market value (as of the date the distribution is made) of the property distributed to each shareholder.

§ 1.6043–1 Return regarding corporate dissolution or liquidation.

(a) *Requirement of returns.* Within 30 days after the adoption of any resolution or plan for or in respect of the dissolution of a corporation or the liquidation of the whole or any part of its capital stock, the corporation shall file a return on Form 966, containing the information required by paragraph (b) of this section and by such form. Such return shall be filed with the district director for the district in which the income tax return of the corporation is filed. Further, if after the filing of a Form 966 there is an amendment of or supplement to the resolution or plan, an additional Form 966, based on the resolution or plan as amended or supplemented, must be filed within 30 days after the adoption of such amendment or supplement. A return must be filed under section 6043 and this section in respect of a liquidation whether or not any part of the gain or loss to the shareholders upon the liquidation is recognized under the provisions of section 1002.

(b) *Contents of return*—(1) *In general.* There shall be attached to and made a part of the return required by section 6043 and paragraph (a) of this section a certified copy of the resolution or plan, together with any amendments

thereof or supplements thereto, and such return shall in addition contain the following information:

(i) The name and address of the corporation;

(ii) The place and date of incorporation;

(iii) The date of the adoption of the resolution or plan and the dates of any amendments thereof or supplements thereto; and

(iv) The internal revenue district in which the last income tax return of the corporation was filed and the taxable year covered thereby.

(2) *Liquidation within one calendar month.* If the corporation is a domestic corporation, and the plan of liquidation provides for a distribution in complete cancellation or redemption of all the capital stock of the corporation, and for the transfer of all the property of the corporation under the liquidation entirely within some one calendar month pursuant to section 333, and any shareholder claims the benefit of such section, such return shall, in addition to the information required by subparagraph (1) of this paragraph, contain the following:

(i) A statement showing the number of shares of each class of stock outstanding at the time of the adoption of the plan of liquidation, together with a description of the voting power of each such class;

(ii) A list of all the shareholders owning stock at the time of the adoption of the plan of liquidation, together with the number of shares of each class of stock owned by each shareholder, the certificate numbers thereof, and the total number of votes to which entitled on the adoption of the plan of liquidation; and

(iii) A list of all corporate shareholders as of January 1, 1954, together with the number of shares of each class of stock owned by each such shareholder, the certificate numbers thereof, the total number of votes to which entitled on the adoption of the plan of liquidation, and a statement of all changes in ownership of stock by corporate shareholders between January 1, 1954, and the date of the adoption of the plan of liquidation, both dates inclusive.

(3) *Returns in respect of amendments or supplements.* If a return has been filed pursuant to section 6043 and this section, any additional return made necessary by an amendment of or a supplement to the resolution or plan will be deemed sufficient if it gives the date the prior return was filed and contains a duly certified copy of the amendment or supplement and all other information required by this section and by Form 966 which was not given in the prior return.

§ 1.6043–2 Return of information respecting distributions in liquidation.

(a) Unless the distribtuion is one in respect of which information is required to be filed pursuant to paragraph (b) of § 1.332–6, paragraph (a) of § 1.368–3, or § 1.1081–11, every corporation making any distribution of $600 or more during a calendar year to any shareholder in liquidation of the whole or any part of its capital stock shall file a return of information on Forms 1096 and 1099L, giving all the information required by such forms and by the regulations in this part. A separate Form 1099L must be prepared for each shareholder to whom such distribution was made, showing the name and address of such shareholder, the number and class of shares owned by him in liquidation of which such distribution was made, and the total amount distributed to him on each class of stock. If the amount distributed to such shareholder on any class of stock consisted in whole or in part of property other than money, the return on such form shall in addition show the amount of money distributed, if any, and shall list separately each class of property other than money distributed, giving a description of the property in each such class and a statement of its fair market value at the time of the distribution. Such forms, accompanied by transmittal Form 1096 showing the number of Forms 1099L filed therewith, shall be filed on or before February 28 of the year following the calendar year in which such distribution was made with any of the Internal Revenue Service Centers, the addresses of which are listed in the instructions for such forms.

(b) If the distribution is in complete liquidation of a domestic corporation pursuant to a plan of liquidation in accordance with which all the capital stock of the corporation is canceled or redeemed, and the transfer of all the property under the liquidation occurs within some one calendar month pursuant to section 333, and any shareholder claims the benefit of such section, the return on Form 1096 shall show (1) the amount of earnings and profits of the corporation accumulated after February 28, 1913, determined as of the close of such calendar month, without diminution by reason of distribution made during such calendar month, but including in such computation all items of income and expense accrued up to the date on which the transfer of all the property under the liquidation is completed, (2) the ratable share of such earnings and profits of each share of stock canceled or redeemed in the liquidation, and (3) the date and circumstances of the acquisition by the corporation of any stock or securities distributed to shareholders in the liquidation.

§ 1.6044 Statutory provisions; returns regarding patronage dividends.

SEC. 6044. *Returns regarding patronage dividends*—(a) *Payments of $100 or more.* Any corporation allocating amounts as patronage dividends, rebates, or refunds (whether in cash, merchandise, capital stock, revolving fund certificates, retain certificates, certificates of indebtedness, letters of advice, or in some other manner that discloses to each patron the amount of such dividend, refund, or rebate) shall make a return showing—

(1) The name and address of each patron to whom it has made such allocations amounting to $100 or more during the calendar year; and

(2) The amount of such allocations to each patron.

(b) *Payments regardless of amount.* If required by the Secretary or his delegate, any such corporation shall make a return of all patronage dividends, rebates, or refunds made during the calendar year to its patrons.

(c) *Exceptions.* This section shall not apply in the case of any corporation (including any cooperative or nonprofit corporation engaged in rural electrification) described in section 501(c) (12) or (15) which is exempt from tax under section 501(a), or in the case of any corporation subject to a tax imposed by subchapter L of chaper 1.

§ 1.6044–1 Returns of information as to patronage dividends, rebates, or refunds.

(a) *Requirement*—(1) *In general.* Except as provided in subparagraph (2) of this paragraph, any corporation allocating to any patron amounts aggregating $100 or more during the calendar year as patronage dividends, rebates, or refunds (whether in cash, merchandise, capital stock, revolving fund certificates, retain certificates, letters of advice, or in some other manner that discloses to each patron the amount of such dividend, rebate, or refund) shall for each calendar year file a return of information with respect to such allocation on Forms 1096 and 1099. A separate Form 1099 shall be prepared for each patron showing the name and address of the patron to whom such allocation is made, and the amount of the allocation. The allocation shall be reported for the calendar year during which the allocation is made, regardless of whether the allocation is deemed for the purpose of section 522 to be made at the close of a preceding taxable year of the corporation.

(2) *Exception.* A return under section 6044 and this section is not required in the case of any corporation (including any cooperative or nonprofit corporation engaged in rural electrification) described in section 501(c) (12) or (15) which is exempt from tax under section 501(a), or in the case of any corporation subject to a tax imposed by subchapter L of chapter 1 of the Code.

(b) *Time and place for filing returns.* Forms 1099, accompanied by transmittal Form 1096, shall be filed on or before February 28 of the following year with any of the Internal Revenue Service Centers, the addresses of which are listed in the instructions for such forms.

(c) *Definitions.* The terms "cooperative association", "patron", "patronage dividends, rebates, and refunds", and "allocation" are defined, for the purpose of this section, in paragraph (b) of § 1.522–1.

§ 1.6045 Statutory provisions; returns of brokers.

SEC. 6045. *Returns of brokers.* Every person doing business as a broker shall, when required by the Secretary or his delegate, make a return, in accordance with such regulations as the Secretary or his delegate may prescribe, showing the names of customers for whom such person has transacted any business, with such details regarding the profits and losses and such other information as the Secretary or his delegate may by forms or regulations require with respect to each customer as will enable the Secretary or his delegate to determine the amount of such profits or losses.

§ 1.6046 Statutory provisions; returns as to formation or reorganization of foreign corporations.

SEC. 6046. *Returns as to formation or reorganization of foreign corporations*—(a) *Re-*

quirement. Every attorney, accountant, fiduciary, bank, trust company, financial institution, or other person, who aids, assists, counsels, or advises in, or with respect to, the formation, organization, or reorganization of any foreign corporation, shall, within 30 days thereafter, make a return in accordance with regulations prescribed by the Secretary or his delegate.

(b) *Form and contents of return.* Such return shall be in such form, and shall set forth, in respect of each such corporation, to the full extent of the information within the possession or knowledge or under the control of the person required to make the return, such information as the Secretary or his delegate prescribes by forms or regulations as necessary for carrying out the provisions of the income tax laws.

(c) *Privileged communications.* Nothing in this section shall be construed to require the making of a return by an attorney-at-law with respect to any advice given or information obtained through the relationship of attorney and client.

(d) *Cross reference.* For provisions relating to penalties for violations of this section, see section 7203.

§ 1.6046–1 Returns as to formation or reorganization of foreign corporations.

(a) *Requirement of returns.* Every attorney, accountant, fiduciary, bank, trust company, financial institution, or other person, who aids, assists, counsels, or advises in, or with respect to, the formation, organization, or reorganization of any foreign corporation shall file an information return on Form 959. The return must be filed in every such case regardless of—

(1) The nature of the counsel or advice given, whether for or against the formation, organization, or reorganization of the foreign corporation, or the nature of the aid or assistance rendered, and

(2) The action taken upon the advice or counsel, that is, whether the foreign corporation is actually formed, organized or reorganized.

(b) *Special provisions*—(1) *Employers.* In the case of aid, assistance, counsel, or advice in, or with respect to, the formation, organization, or reorganization of a foreign corporation given by a person in whole or in part through the medium of employees (including, in the case of a corporation, the officers thereof), the return made by the employer must set forth in detail the information required by this section including that which, as an incident to such employment, is within the possession or knowledge or under the control of such employees.

(2) *Employees.* The obligation of an employee (including, in the case of a corporation, the officers thereof) to file a return with respect to any aid, assistance, counsel, or advice in or with respect to the formation, organization, or reorganization of a foreign corporation, given as an incident to his employment, will be satisfied if a return as prescribed by this section is duly filed by the employer. Clerks, stenographers, and other employees rendering aid or assistance solely of a clerical or mechanical character in or with respect to the formation, organization, or reorganization of a foreign corporation are not required to file returns by reason of such services.

(3) *Partners.* In the case of aid, assistance, counsel, or advice in, or with respect to, the formation, organization, or reorganization of a foreign corporation given by one or more members of a partnership in the course of its business, the obligation of each such individual member to file a return will be satisfied if a return as prescribed by this section is duly filed by the partnership executed by all the members of the firm who gave any such aid, assistance, counsel, or advice. If, however, the partnership has been dissolved at the time the return is due, individual returns must be filed by each member of the former partnership who gave any such aid, assistance, counsel, or advice.

(4) *Return jointly made.* If two or more persons aid, assist, counsel, or advise in, or with respect to, the formation, organization, or reorganization of a particular foreign corporation, any two or more of such persons may, in lieu of filing several returns, jointly execute and file one return.

(5) *Separate return for each corporation.* If a person aids, assists, counsels, or advises in, or with respect to, the formation, organization, or reorganization of more than one foreign corporation, a separate return must be filed with respect to each foreign corporation.

(c) *Information required to be shown on return.* The return required by section 6046 and this section shall set forth the following information to the extent the information is within the possession or knowledge, or under the control, of the person filing the return:

(1) The name and address of the person (or persons) to whom, and the person (or persons) for whom, or on whose behalf, the aid, assistance, counsel, or advice was given;

(2) The name and address of the foreign corporation and the country under the laws of which it was formed, organized, or reorganized;

(3) The month and year when the foreign corporation was formed, organized, or reorganized;

(4) A statement of the manner in which the formation, organization, or reorganization of the foreign corporation was effected;

(5) A complete statement of the reasons for, and the purposes sought to be accomplished by, the formation, organization, or reorganization of the foreign corporation;

(6) A statement showing the classes and kinds of assets transferred to the foreign corporation in connection with its formation, organization, or reorganization, including a detailed list of any stock or securities included in such assets, and a statement showing the names and addresses of the persons who were the owners of such assets immediately prior to the transfer;

(7) The names and addresses of the shareholders of the foreign corporation at the time of the completion of its formation, organization, or reorganization, showing the classes of stock and number of shares held by each and, in the case of Forms 959 filed after December 31, 1958, the names and addresses of the subscribers to the stock of the foreign corporation and the number of shares subscribed to by each;

(8) The name and address of the person (or persons) having custody of the books of account and records of the foreign corporation; and

(9) Such other information as is required by the return form.

(d) *Privileged communications.* An attorney-at-law is not required to file a return with respect to any advice given or information obtained through the relationship of attorney and client.

(e) *Time and place for filing return*—(1) *Time for filing.* Returns required by section 6046 and this section shall be filed within 30 days after the first performance of any of the functions referred to in paragraph (a) of this section. If, in a particular case, the aid, assistance, counsel, or advice given by any person extends over a period of more than one day, such person, to avoid the multiple filing of returns, shall file a return within 30 days after either of the following events:

(i) The formation, organization, or reorganization of the foreign corporation, or

(ii) The termination of his aid, assistance, counsel, or advice in, or with respect to, the formation, organization, or reorganization of the foreign corporation.

(2) *Place for filing.* Returns required by section 6046 and this section shall be filed with the Director, International Operations Division, Internal Revenue Service, Washington 25, D.C.

(f) *Penalties.* For criminal penalties for failure to file a return and filing a false or fraudulent return, see sections 7203, 7206, and 7207.

§ 1.6061 Statutory provisions; signing of returns and other documents.

SEC. 6061. *Signing of returns and other documents.* Except as otherwise provided by sections 6062 and 6063, any return, statement, or other document required to be made under any provision of the internal revenue laws or regulations shall be signed in accordance with forms or regulations prescribed by the Secretary or his delegate.

§ 1.6061–1 Signing of returns and other documents by individuals.

(a) *Requirement.* Each individual (including a fiduciary) shall sign the income tax return required to be made by him, except that the return may be signed for the taxpayer by an agent who is duly authorized in accordance with paragraph (a)(5) of § 1.6012–1 to make such return. Other returns, statements, or documents required under the provisions of subtitle A or F of the Code or of the regulations thereunder to be made by any person with respect to any tax imposed by subtitle A of the Code shall be signed in accordance with any regulations contained in this chapter, or any instructions, issued with respect to such returns, statements, or other documents.

(b) *Cross references.* For provisions relating to the signing of returns, statements, or other documents required to be made by corporations and partnerships with respect to any tax imposed by subtitle A of the Code, see §§ 1.6062–1 and 1.6063–1, respectively. For provisions relating to the making of returns

by agents, see paragraphs (a)(5) and (b)(6) of § 1.6012–1; and to the making of returns for minors and persons under a disability, see paragraph (a)(3) of § 1.6012–1 and paragraph (b) of § 1.6012–3.

§ 1.6062 Statutory provisions; signing of corporation returns.

SEC. 6062. *Signing of corporation returns.* The return of a corporation with respect to income shall be signed by the president, vice-president, treasurer, assistant treasurer, chief accounting officer or any other officer duly authorized so to act. In the case of a return made for a corporation by a fiduciary pursuant to the provisions of section 6012(b)(3), such fiduciary shall sign the return. The fact that an individual's name is signed on the return shall be prima facie evidence that such individual is authorized to sign the return on behalf of the corporation.

§ 1.6062–1 Signing of returns, statements, and other documents made by corporations.

(a) *Returns*—(1) *In general.* Returns required to be made by corporations under the provisions of subtitle A or F of the Code, or the regulations thereunder, with respect to any tax imposed by subtitle A of the Code, shall be signed for the corporation by the president, vice-president, treasurer, assistant treasurer, chief accounting officer, or any other officer duly authorized to sign such returns. It is not necessary that the corporate seal be affixed to the return. Spaces provided on return forms for affixing the corporate seal are for the convenience of corporations required by charter, or by the law of the jurisdiction in which they are incorporated, to affix their corporate seals in the execution of instruments.

(2) *By fiduciaries.* A return with respect to income required to be made for a corporation by a fiduciary, pursuant to the provisions of section 6012(b)(3), shall be signed by such fiduciary. See paragraph (b)(4) of § 1.6012–3.

(3) *By agents.* A return with respect to income required to be made by an agent for a foreign corporation, which has no office or place of business in the United States, shall be signed by such agent. See paragraph (g)(4) of § 1.6012–2.

(b) *Statements and other documents.* Statements and other documents required to be made by or for corporations under the provisions of subtitle A or F of the Code, or the regulations thereunder, with respect to any tax imposed by subtitle A, shall be signed in accordance with the regulations contained in this chapter, or the forms and instructions, issued with respect to such statements or other documents.

(c) *Evidence of authority to sign.* An individual's signature on a return, statement, or other document made by or for a corporation shall be prima facie evidence that such individual is authorized to sign such return, statement, or other document.

(d) *Related provisions.* For the rules relating to the verification of returns, see § 1.6065–1. For provisions with respect to the signing of returns generally, see § 301.6061–1 of this chapter.

§ 1.6063 Statutory provisions; signing of partnership returns.

SEC. 6063. *Signing of partnership returns.* The return of a partnership made under section 6031 shall be signed by any one of the partners. The fact that a partner's name is signed on the return shall be prima facie evidence that such partner is authorized to sign the return on behalf of the partnership.

§ 1.6063–1 Signing of returns, statements, and other documents made by partnerships.

(a) *In general.* Returns, statements, and other documents required to be made by partnerships under the provisions of subtitle A or F of the Code, or the regulations thereunder, with respect to any tax imposed by subtitle A of the Code shall be signed by any one of the partners. However, with respect to the signing of powers of attorney, see paragraph (a)(2) of § 601.504 of this chapter.

(b) *Evidence of authority to sign.* A partner's signature on a return, statement, or other document made by or for a partnership of which he is a member shall be prima facie evidence that such partner is authorized to sign such return, statement, or other document.

§ 1.6065 Statutory provisions; verification of returns.

SEC. 6065. *Verification of returns*—(a) *Penalties of perjury.* Except as otherwise provided by the Secretary or his delegate, any return, declaration, statement, or other document required to be made under any provision of the internal revenue laws or regulations shall contain or be verified by a written declaration that it is made under the penalties of perjury.

(b) *Oath.* The Secretary or his delegate may by regulations require that any return, statement, or other document required to be made under any provision of the internal revenue laws or regulations shall be verified by an oath. This subsection shall not apply to returns and declarations with respect to income taxes made by individuals.

§ 1.6065–1 Verification of returns.

(a) *Persons signing returns.* If a return, declaration, statement, or other document made under the provisions of subtitle A or F of the Code, or the regulation thereunder, with respect to any tax imposed by subtitle A of the Code is required by the regulations contained in this chapter, or the form and instructions, issued with respect to such return, declaration, statement, or other document, to contain or be verified by a written declaration that it is made under the penalties of perjury, such return, declaration, statement, or other document shall be so verified by the person signing it.

(b) *Persons preparing returns*—(1) *In general.* Except as provided in subparagraph (2) of this paragraph, if a return, declaration, statement, or other document is prepared for a taxpayer by another person for compensation or as an incident to the performance of other services for which such person receives compensation, and the return, declaration, statement, or other document requires that it shall contain or be verified by a written declaration that it is prepared under the penalties of perjury, the preparer must so verify the return, declaration, statement, or other document. A person who renders mere mechanical assistance in the preparation of a return, declaration, statement, or other document as, for example, a stenographer or typist, is not considered as preparing the return, declaration, statement, or other document.

(2) *Exception.* The verification required by subparagraph (1) of this paragraph is not required on returns, declarations, statements, or other documents which are prepared—

(i) For an employee either by his employer or by an employee designated for such purpose by the employer, or

(ii) For an employer as a usual incident of the employment of one regularly or continuously employed by such employer.

§ 1.6071 Statutory provisions; time for filing returns and other documents.

SEC. 6071. *Time for filing returns and other documents*—(a) *General rule.* When not otherwise provided for by this title, the Secretary or his delegate shall by regulations prescribe the time for filing any return, statement, or other document required by this title or by regulations.

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§ 1.6071–1 Time for filing returns and other documents.

(a) *In general.* Whenever a return, statement, or other document is required to be made under the provisions of subtitle A or F of the Code, or the regulations thereunder, with respect to any tax imposed by subtitle A of the Code, and the time for filing such return, statement, or other document is not provided for by the Code, it shall be filed at the time prescribed by the regulations contained in this chapter with respect to such return, statement, or other document.

(b) *Return for a short period.* In the case of a return with respect to tax under subtitle A for a short period (as defined in section 443), the district director may, upon a showing by the taxpayer of unusual circumstances, prescribe a time for filing the return for such period later than the time when such return would otherwise be due.

(c) *Time for filing certain information returns.* (1) For provisions relating to the time for filing returns of partnership income, see paragraph (e)(2) of § 1.6031–1.

(2) For provisions relating to the time for filing information returns by banks with respect to common trust funds, see § 1.6032–1.

(3) For provisions relating to the time for filing information returns by certain organizations exempt from taxation under section 501(a), see paragraph (e) of § 1.6033–1.

(4) For provisions relating to the time for filing information returns by trusts claiming charitable deductions under section 642(c), see paragraph (c) of § 1.6034–1.

(5) For provisions relating to the time for filing information returns by officers, directors, and shareholders of foreign personal holding companies, see §§ 1.6035–1 and 1.6035–2.

(6) For provisions relating to the time for filing information returns by persons making certain payments, see § 1.6041–6.

(7) For provisions relating to the time for filing information returns regarding corporate dividends, earnings, profits, and ownership of stock, see paragraph (d) of § 1.6042–1.

(8) For provisions relating to the time for filing information returns by corporations with respect to contemplated dissolution or liquidation, see paragraph (a) of § 1.6043–1.

(9) For provisions relating to the time for filing information returns by corporations with respect to distributions in liquidation, see paragraph (a) of § 1.6043–2.

(10) For provisions relating to the time for filing information returns with respect to payments of patronage dividends, see paragraph (b) of § 1.6044–1.

(11) For provisions relating to the time for filing information returns with respect to formation or reorganization of foreign corporations, see § 1.6046–1.

§ 1.6072 Statutory provisions; time for filing income tax returns.

SEC. 6072. *Time for filing income tax returns*—(a) *General rule.* In the case of returns under section 6012, 6013, 6017, or 6031 (relating to income tax under subtitle A), returns made on the basis of the calendar year shall be filed on or before the 15th day of April following the close of the calendar year and returns made on the basis of a fiscal year shall be filed on or before the 15th day of the fourth month following the close of the fiscal year, except as otherwise provided in the following subsections of this section.

(b) *Returns of corporations.* Returns of corporations under section 6012 made on the basis of the calendar year shall be filed on or before the 15th day of March following the close of the calendar year, and such returns made on the basis of a fiscal year shall be filed on or before the 15th day of the third month following the close of the fiscal year.

(c) *Returns by certain nonresident alien individuals and foreign corporations.* Returns made by nonresident alien individuals (other than those whose wages are subject to withholding under chapter 24) and foreign corporations (other than those having an office or place of business in the United States) under section 6012 on the basis of a calendar year shall be filed on or before the 15th day of June following the close of the calendar year and such returns made on the basis of a fiscal year shall be filed on or before the 15th day of the 6th month following the close of the fiscal year.

(d) *Returns of exempt cooperative associations.* In the case of income tax returns of exempt cooperative associations taxable under the provisions of section 522, returns made on the basis of a calendar year shall be filed on or before the 15th day of September following the close of the calendar year and returns made on the basis of a fiscal year shall be filed on or before the 15th day of the 9th month following the close of the fiscal year.

(e) *Income tax due dates postponed in case of China Trade Act corporations.* In the case of any taxable year beginning after December 31, 1948, and ending before October 1, 1956, no Federal income tax return of any corporation organized under the China Trade Act, 1922 (42 Stat. 849, U.S.C. title 15, chapter 4), as amended, shall become due until December 31, 1956, but only with respect to any such corporation and any such taxable year which the Secretary or his delegate may determine reasonable under the circumstances in China pursuant to such regulations as may be prescribed. Such due date shall be subject to the power of the Secretary or his delegate to extend the time for filing such return, as in other cases.

§ 1.6072–1 Time for filing returns of individuals, estates, and trusts.

(a) *In general.* Except as provided in paragraphs (b) and (c) of this section, returns of income required under sections 6012, 6013, 6014, and 6017 of individuals, estates, and trusts (including unrelated business tax returns of domestic and foreign trusts referred to in section 511 (b) (2)) shall be filed on or before the fifteenth day of the fourth month following the close of the taxable year.

(b) *Decedents.* In the case of a final return of a decedent for a fractional part of a year, the due date of such return shall be the fifteenth day of the fourth month following the close of the 12-month period which began with the first day of such fractional part of the year.

(c) *Nonresident alien individuals.* The income tax return of a nonresident alien individual shall be filed on or before the fifteenth day of the sixth month following the close of the taxable year. However, a nonresident alien individual who for the taxable year has wages subject to withholding under chapter 24 of the Code shall file his income tax return on or before the fifteenth day of the fourth month following the close of the taxable year.

(d) *Last day for filing return.* For provisions relating to the time for filing a return where the last day for filing falls on Saturday, Sunday, or a legal holiday, see section 7503 and § 301.7503–1 of this chapter.

§ 1.6072–2 Time for filing returns of corporations.

(a) *Domestic and certain foreign corporations.* The income tax return required under section 6012 of a domestic corporation or of a foreign corporation having an office or place of business in the United States shall be filed on or before the fifteenth day of the third month following the close of the taxable year.

(b) *Foreign corporations not having an office or place of business in the United States.* The income tax return of a foreign corporation which does not have an office or place of business in the United States shall be filed on or before the fifteenth day of the sixth month following the close of the taxable year.

(c) *Organizations having unrelated business income taxable at corporation rates.* The provisions of paragraph (a) or (b) of this section apply to organizations referred to in section 511(a)(2) and required to file a return of unrelated business taxable income.

(d) *Exempt cooperative associations.* The income tax return of an exempt cooperative association taxable under the provisions of section 522 shall be filed on or before the fifteenth day of the ninth month following the close of the taxable year.

(e) *Cross references.* For provisions relating to the time for filing a return where the last day for filing falls on Saturday, Sunday, or a legal holiday, see section 7503 and § 301.7503–1 of this chapter. For provisions relating to the fixing of a later time for filing in the case of a return for a short period, see paragraph (b) of § 1.6071–1. For provisions relating to time for filing consolidated returns, see paragraph (a) of § 1.1502–12.

§ 1.6072–3 Income tax due dates postponed in case of China Trade Act corporations.

(a) With respect to a taxable year beginning after December 31, 1948, and ending before October 1, 1956, the income tax return of any corporation organized under the China Trade Act of 1952 (15 U.S.C., c. 4), as amended, shall not become due until December 31, 1956, provided that during any such taxable year conditions in China have been generally so unsettled as to militate against the normal commercial operations and corporate activities of such corporation. However, the postponement of the due date shall not apply to an income tax return for any such taxable year if—

(1) The books of account and business records are available so as to permit the filing of a proper return, and the corporation has otherwise been in a position to carry on its commercial operations and corporate activities and to make a proper distribution of its earnings or profits, if any, so as to permit the certification required by section 941 (b); or

(2) All the commercial operations and corporate activities of such corporation have been carried on in Hong Kong, Macao, or Taiwan (Formosa).

(b) Notwithstanding the provisions of subparagraph (1) or (2) of paragraph (a) of this section, the postponed due date referred to in this section will apply if a corporation satisfies the Commissioner that special circumstances exist, related to the unsettled conditions in China, which warrant such postponement.

(c) The postponed due date provided for in this section is expressly subject to the power of the Commissioner to extend, as in other cases, the time for filing the income tax return. See section 6081 and the regulations thereunder.

§ 1.6072–4 Time for filing other returns of income.

(a) *Returns of tax withheld from nonresident aliens and foreign corporations, and on tax-free covenant bonds.* For the time for filing returns with respect to tax withheld under chapter 3 of the Code, see §§ 1.1461–1 to 1.1461–3.

(b) *Reports for recovery of excessive profits on Government contracts.* For the time for filing annual reports by persons completing Government contracts, see 26 CFR (1939) 17.16 (Treasury Decision 4906, approved June 23, 1939), and 26 CFR (1939) 16.15 (Treasury Decision 4909, approved June 28, 1939, as made applicable to section 1471 of the 1954 Code by Treasury Decision 6091, approved August 16, 1954 (19 F. R. 5167).

(c) *Returns of tax on transfers to avoid income tax.* For the time for fil-

ing returns of tax under chapter 5 of the Code, see § 1.1494–1.

§ 1.6081 Statutory provisions; extension of time for filing returns.

SEC. 6081. *Extension of time for filing returns*—(a) *General rule.* The Secretary or his delegate may grant a reasonable extension of time for filing any return, declaration, statement, or other document required by this title or by regulations. Except in the case of taxpayers who are abroad, no such extension shall be for more than 6 months.

(b) *Automatic extension for corporation income tax returns.* An extension of 3 months for the filing of the return of income taxes imposed by subtitle A shall be allowed any corporation if, in such manner and at such time as the Secretary or his delegate may by regulations prescribe, there is filed on behalf of such corporation the form prescribed by the Secretary or his delegate, and if such corporation pays, on or before the date prescribed for payment of the tax, the amount properly estimated as its tax or the first installment thereof required under section 6152; but this extension may be terminated at any time by the Secretary or his delegate by mailing to the taxpayer notice of such termination at least 10 days prior to the date for termination fixed in such notice.

(c) *Postponement by reason of war.* For time for performing certain acts postponed by reason of war, see section 7508.

§ 1.6081–1 Extension of time for filing returns.

(a) *In general.* District directors, including the Director, International Operations Division, are authorized to grant a reasonable extension of time for filing any return, declaration, statement, or other document which relates to any tax imposed by subtitle A of the Code and which is required under the provisions of subtitle A or F of the Code or the regulations thereunder. However, except in the case of taxpayers who are abroad, such extensions of time shall not be granted for more than six months. Except in the case of declarations of estimated income tax, an extension of time for filing an income tax return does not operate to extend the time for the payment of the tax, or any installment thereof, unless so specified in the extension. For extension of time for filing declarations of estimated tax, see §§ 1.6073–4 and 1.6074–3. For extension of time for paying tax, see § 1.6161–1.

(b) *Application for extension of time.* (1) A taxpayer desiring an extension of time for filing a return, statement, or other document shall, on or before the due date thereof, submit an application for such extension to the internal revenue officer with whom the return, statement, or other document is required to be filed. Such application shall be in writing, properly signed by the taxpayer or his duly authorized agent, and shall clearly set forth (i) the particular tax return, information return, statement, or other document, including the taxable year or period thereof, with respect to which the extension of the time for filing is desired, and (ii) a full recital of the reasons for requesting the extension to aid such internal revenue officer in determining the period of extension, if any, which will be granted. Such a request in the form of a letter will suffice as an application.

(2) In any case in which a taxpayer is unable, by reason of illness, absence, or other good cause, to sign a request for an extension, any person standing in close personal or business relationship to the taxpayer may sign the request on his behalf, and shall be considered as a duly authorized agent for this purpose, provided the request sets forth the reasons for a signature other than the taxpayer's and the relationship existing between the taxpayer and the signer.

§ 1.6081–2 Extensions of time in the case of foreign organizations, certain domestic corporations, certain partnerships, and citizens of United States residing or traveling abroad.

(a) *In general.* An extension of time for filing of returns of income is hereby granted up to and including the fifteenth day of the sixth month following the close of the taxable year in the case of:

(1) Partnerships which are required under paragraph (e) (2) of § 1.6031–1 to file returns on the fifteenth day of the fourth month following the close of the taxable year of the partnership, and which keep their records and books of account abroad;

(2) Domestic corporations which transact their business and keep their records and books of account abroad;

(3) Foreign corporations which maintain an office or place of business within the United States;

(4) Domestic corporations whose principal income is from sources within the possessions of the United States; and

(5) American citizens residing or traveling abroad, including persons in military or naval service on duty outside the United States.

In all such cases a statement must be attached to the return showing that the person for whom the return is made is a person described in this section.

(b) *Definitions.* The term "abroad", as used in this section, means outside the continental United States, Hawaii, and Puerto Rico. For purposes of this paragraph, the term "continental United States" does not include Alaska.

§ 1.6081–3 Automatic extension of time for filing corporation income tax returns.

(a) *In general.* A corporation shall be allowed an automatic extension of time to the fifteenth day of the third month following the month in which falls the date prescribed for the filing of its income tax return provided the following requirements are met:

(1) An application must be prepared in duplicate on Form 7004, "Application for Automatic Extension of Time to File U.S. Corporation Income Tax Return", and must be signed by a person authorized by the corporation to request such extension, and such person must be either an officer of the corporation or a person currently enrolled to practice before the Treasury Department.

(2) The original of the application must be filed on or before the date prescribed for the filing of the return of the corporation with the internal revenue officer with whom the corporation is required to file its income tax return and must be accompanied by a remittance of an estimated amount of tax which shall not be less than would be required as the first installment under section 6152 (a) (1) should the corporation elect to pay the tax in installments.

Upon the timely filing of Form 7004, properly prepared, the three-month extension shall be considered as allowed. If the taxpayer elects to pay in installments the tax shown on Form 7004, the installment privilege provided in section 6152(a)(1) is limited to the amount shown on the form. The duplicate Form 7004 shall be attached to the completed income tax return when filed as evidence of the extension.

(b) *Consolidated returns.* An application for an automatic extension of time for filing a consolidated return shall be made by a person authorized by the parent corporation to request such extension. Such person must be either an officer of the parent corporation or a person currently enrolled to practice before the Treasury Department. There shall be attached to such application a statement listing the name and address of each member of the affiliated group for which such consolidated return will be made. The original of such application shall be filed with the district director for the district in which the parent corporation is required to file its income tax return. If a member of the affiliated group would be required to file its separate income tax return with a district director other than the district director with whom the parent corporation files its return, the parent corporation must immediately send to each district director with whom such member would be required to file its return a written notice that an application for the automatic extension of time for filing the consolidated return has been filed. Such notice shall also indicate the name and address of each member of the affiliated group required to file its separate return with such district director, and the name and address of the district director with whom the consolidated return will be filed. Upon the timely filing of Form 7004 in the office of the district director with whom the parent corporation files its return, and notices in the offices of the district directors with whom the members of the affiliated group file their returns, the three-month extension shall be considered as granted to the affiliated group for the filing of its consolidated return or for the filing of each member's separate return. In the event that the privilege of filing a consolidated return is not exercised, the parent corporation, and members of the affiliated group filing in the same district as that in which the parent files, shall attach to their completed separate income tax returns a copy of the application (Form 7004); and each other member of the affiliated group shall attach to its completed separate income tax return a copy of the notice sent to the district director with whom its return is filed.

(c) *Termination of automatic extension.* The district director, including the Director, International Operations Division, may, in his discretion, terminate at any time an automatic extension by mailing to the corporation (parent corporation in the case of an affiliated group), or the person who requested such extension for the corporation, a notice of termination. The notice shall be mailed at least ten days prior to the termination date designated in such notice. The notice of termination shall be sufficient for all purposes when mailed to the corporation at its address shown on Form 7004 or to the person who requested such extension for the corporation at his last known address or last known place of business, even if such corporation has terminated its existence, or such person is deceased or is under a legal disability.

§ 1.6091 Statutory provisions; place for filing returns or other documents.

SEC. 6091. *Place for filing returns or other documents*—(a) *General rule.* When not otherwise provided for by this title, the Secretary or his delegate shall by regulations prescribe the place for the filing of any return, declaration, statement, or other document, or copies thereof, required by this title or by regulations.

(b) *Tax returns.* In the case of returns of tax required under authority of part II of this subchapter—

(1) *Individuals.* Returns (other than corporation returns) shall be made to the Secretary or his delegate in the internal revenue district in which is located the legal residence or principal place of business of the person making the return, or, if he has no legal residence or principal place of business in any internal revenue district, then at such place as the Secretary or his delegate may by regulations prescribe.

(2) *Corporations.* Returns of corporations shall be made to the Secretary or his delegate in the internal revenue district in which is located the principal place of business or principal office or agency of the corporation, or, if it has no principal place of business or principal office or agency in any internal revenue district, then at such place as the Secretary or his delegate may by regulations prescribe.

* * * * *

(4) *Exceptional cases.* Notwithstanding paragraph (1), (2), or (3) of this subsection, the Secretary or his delegate may permit a return to be filed in any internal revenue district, and may require the return of any officer or employee of the Treasury Department to be filed in any internal revenue district selected by the Secretary or his delegate.

§ 1.6091–1 Place for filing returns or other documents.

(a) *In general.* Except as provided in § 1.6091–4, whenever a return, statement, or other document is required to be made under the provisions of subtitle A or F of the Code, or the regulations thereunder, with respect to any tax imposed by subtitle A of the Code, and the place for filing such return, statement, or other document is not provided for by the Code, it shall be filed at the place prescribed by the regulations contained in this chapter.

(b) *Place for filing certain information returns.* (1) For the place for filing returns of partnership income, see paragraph (e)(1) of § 1.6031–1.

(2) For the place for filing information returns by banks with respect to common trust funds, see § 1.6032–1.

(3) For the place for filing information returns by certain organizations exempt from taxation under section 501 (a), see paragraph (e) of § 1.6033–1.

(4) For the place for filing information returns by trusts claiming charitable deductions under section 642(c), see paragraph (c) of § 1.6034–1.

(5) For the place for filing information returns by officers, directors, and shareholders of foreign personal holding companies, see paragraph (e) of § 1.6035–1 and paragraph (c) of § 1.6035–2.

(6) For the place for filing returns of information reporting certain payments on Forms 1099 and 1096, see § 1.6041–6.

(7) For the place for filing information returns regarding corporate dividends, earnings, and profits on Forms 1099 and 1096, and regarding ownership of stock on Form 1087, see paragraph (d) of § 1.6042–1.

(8) For the place for filing information returns by corporations relating to contemplated dissolution or liquidation, see paragraph (a) of § 1.6043–1.

(9) For the place for filing information returns by corporations relating to distributions in liquidation, see paragraph (a) of § 1.6043–2.

(10) For the place for filing information returns reporting payments of patronage dividends, see paragraph (b) of § 1.6044–1.

(11) For the place for filing information returns relating to formation or reorganization of foreign corporations, see paragraph (e) of § 1.6046–1.

§ 1.6091–2 Place for filing income tax returns.

(a) *Individuals, estates, and trusts.* (1) Except as provided in §§ 1.6091–3 and 1.6091–4, income tax returns of individuals, estates, and trusts shall be filed with the district director for the internal revenue district in which is located the legal residence or principal place of business of the person required to make the return, or, if such person has no legal residence or principal place of business in any internal revenue district, with the district director at Baltimore, Maryland.

(2) An individual employed on a salary or commission basis who is not also engaged in conducting a commercial or professional enterprise for profit on his own account does not have a "principal place of business" within the meaning of this section.

(b) *Corporations.* Except as provided in §§ 1.6091–3 and 1.6091–4, income tax returns of corporations shall be filed with the district director for the internal revenue district in which is located the principal place of business or principal office or agency of the corporation.

§ 1.6091–3 Income tax returns required to be filed with Director, International Operations Division.

The following income tax returns shall be filed with the Director, International Operations Division, Internal Revenue Service, at Washington 25, D.C., or at such other address as is designated on the return form or in the instructions issued with respect to such form:

(a) Income tax returns on which all, or a portion, of the tax is to be paid in foreign currency. See §§ 301.6316–1 to 301.6316–8, inclusive, of this chapter.

(b) Income tax returns of an individual citizen of the United States whose principal place of abode for the taxable year is outside the United States, and who has no legal residence or principal place of business in any internal revenue district in the United States.

(c) Income tax returns of an individual citizen of a possession of the United States (whether or not a citizen of the United States) who has no legal residence or principal place of business in any internal revenue district in the United States.

(d) Except in the case of any departing alien return under section 6851 and § 1.6851–2, the income tax return of any alien who has no legal residence or principal place of business in any internal revenue district in the United States.

(e) The income tax return of an estate or trust the fiduciary of which is outside the United States and has no legal residence or place of business in any internal revenue district in the United States.

(f) Income tax returns of foreign corporations having no principal place of business, or principal office or agency in any internal revenue district in the United States.

§ 1.6091–4 Exceptional cases.

(a) *Permission to file in district other than required district.* The Commissioner may permit the filing of any income tax return required to be made under the provisions of subtitle A or F of the Code, or the regulations in this part, in any internal revenue district, notwithstanding the provisions of paragraphs (1) and (2) of section 6091(b) and §§ 1.6091–1 to 1.6091–3, inclusive.

(b) *Returns of officers and employees of the Internal Revenue Service.* The Commissioner may require any officer or employee of the Internal Revenue Service to file his income tax return in any district selected by the Commissioner.

§ 1.6102 Statutory provisions; computations on returns or other documents.

SEC. 6102. *Computations on returns or other documents*—(a) *Amounts shown on internal revenue forms.* The Secretary or his delegate is authorized to provide with respect to any amount required to be shown on a form prescribed for any internal revenue return, statement, or other document, that if such amount of such item is other than a whole-dollar amount, either—

(1) The fractional part of a dollar shall be disregarded; or

(2) The fractional part of a dollar shall be disregarded unless it amounts to one-half dollar or more, in which case the amount (determined without regard to the fractional part of a dollar) shall be increased by $1.

(b) *Election not to use whole dollar amounts.* Any person making a return, statement, or other document shall be allowed, under regulations prescribed by the Secretary or his delegate, to make such return, statement, or other document without regard to subsection (a).

(c) *Inapplicability to computation of amount.* The provisions of subsections (a) and (b) shall not be applicable to items which must be taken into account in making

the computations necessary to determine the amount required to be shown on a form, but shall be applicable only to such final amount.

§ 1.6102–1 Computations on returns or other documents.

For provisions with respect to the rounding off to whole-dollar amounts of money items on returns and accompanying schedules, see § 301.6102–1 of this chapter.

TIME AND PLACE FOR PAYING TAX

§ 1.6151 Statutory provisions; time and place for paying tax shown on returns.

SEC. 6151. *Time and place for paying tax shown on returns*—(a) *General rule.* Except as otherwise provided in this section, when a return of tax is required under this title or regulations, the person required to make such return shall, without assessment or notice and demand from the Secretary or his delegate, pay such tax to the principal internal revenue officer for the internal revenue district in which the return is required to be filed, and shall pay such tax at the time and place fixed for filing the return (determined without regard to any extension of time for filing the return).

(b) *Exceptions*—(1) *Income tax not computed by taxpayer.* If the taxpayer elects under section 6014 not to show the tax on the return, the amount determined by the Secretary or his delegate as payable shall be paid within 30 days after the mailing by the Secretary or his delegate to the taxpayer of a notice stating such amount and making demand therefor.

(2) *Use of Government depositaries.* For authority of the Secretary or his delegate to require payments to Government depositaries, see section 6302(c).

(c) *Date fixed for payment of tax.* In any case in which a tax is required to be paid on or before a certain date, or within a certain period, any reference in this title to the date fixed for payment of such tax shall be deemed a reference to the last day fixed for such payment (determined without regard to any extension of time for paying the tax).

§ 1.6151–1 Time and place for paying tax shown on returns.

(a) *In general.* Except as provided in section 6152 and paragraph (b) of this section, the tax shown on any income tax return shall, without assessment or notice and demand, be paid to the internal revenue officer with whom the return is required to be filed at the time fixed for filing the return (determined without regard to any extension of time for filing the return). For provisions relating to the time for filing income tax returns, see section 6072 and §§ 1.6072–1 to 1.6072–4, inclusive. For provisions relating to the place for filing income tax returns, see section 6091 and §§ 1.6091–1 to 1.6091–4, inclusive.

(b) *Returns on Form 1040A*—(1) *Where tax is not shown on return.* In any case in which a taxpayer files a return on Form 1040A and, pursuant to section 6014 and § 1.6014–1, elects not to show the tax on the return, the amount of tax determined to be due shall be paid within 30 days after the date of mailing to the taxpayer a notice stating the amount payable and making demand upon the taxpayer therefor. However, if the notice is mailed to the taxpayer more than 30 days before the due date of the return, payment of the tax shall not be required prior to such due date.

(2) *Where tax is shown on the return.* In any case in which a taxpayer files a return on Form 1040A pursuant to paragraph (a)(7) of § 1.6012–1 and shows the amount of tax on the return, the unpaid balance of the tax shall, without assessment or notice and demand, be paid not later than the date fixed for filing the return.

(c) *Date fixed for payment of tax.* In any case in which a tax imposed by subtitle A of the Code is required to be paid on or before a certain date, or within a certain period, any reference in subtitle A or F of the Code to the date fixed for payment of such tax shall be deemed a reference to the last day fixed for such payment (determined without regard to any extension of time for paying the tax).

§ 1.6152 Statutory provisions; installment payments.

SEC. 6152. *Installment payments*—(a) *Privilege to elect to make installment payments*—(1) *Corporations.* A corporation subject to the taxes imposed by chapter 1 may elect to pay the unpaid amount of such taxes in installments as follows:

(A) With respect to taxable years ending before December 31, 1954, four installments, the first two of which shall be 45 percent, respectively, of such taxes and the last two of which shall be 5 percent, respectively, of such taxes;

(B) With respect to taxable years ending on or after December 31, 1954, two equal installments.

(2) *Estates of decedents.* A decedent's estate subject to the tax imposed by chapter 1 may elect to pay such tax in four equal installments.

(b) *Dates prescribed for payment of installments*—(1) *Four installments.* In any case (other than payment of estimated income tax) in which the tax may be paid in four installments, the first installment shall be paid on the date prescribed for the payment of the tax, the second installment shall be paid on or before 3 months, the third installment on or before 6 months, and the fourth installment on or before 9 months, after such date.

(2) *Two installments.* In any case (other than payment of estimated income tax) in which the tax may be paid in two installments, the first installment shall be paid on the date prescribed for the payment of the tax, and the second installment shall be paid on or before 3 months after such date.

(c) *Proration of deficiency to installments.* If an election has been made to pay the tax imposed by chapter 1 in installments and a deficiency has been assessed, the deficiency shall be prorated to such installments. Except as provided in section 6861 (relating to jeopardy assessments), that part of the deficiency so prorated to any installment the date for payment of which has not arrived shall be collected at the same time as and as part of such installment. That part of the deficiency so prorated to any installment the date for payment of which has arrived shall be paid upon notice and demand from the Secretary or his delegate.

(d) *Acceleration of payment.* If any installment (other than an installment of estimated income tax) is not paid on or before the date fixed for its payment, the whole of the unpaid tax shall be paid upon notice and demand from the Secretary or his delegate.

[Sec. 6152 as amended by sec. 3, Act of Sept. 1, 1954 (Pub. Law 767, 83d Cong., 68 Stat. 1130)]

§ 1.6152–1 Installment payments.

(a) *Privilege of corporation to elect to make installment payments*—(1) *Amount to be paid.* In the case of any taxable year ending on or after December 31, 1954, a corporation subject to the taxes imposed by chapter 1 of the Code may elect, as provided in subparagraph (2) of this paragraph, to pay the unpaid amount of such tax for the taxable year in two equal installments instead of making a single payment. If such an election is made, the installments shall be paid as follows:

(i) Fifty percent on or before the date prescribed for the payment of the tax as a single payment, and

(ii) The remaining 50 percent on or before three months after the date prescribed for the payment of the first installment.

For provisions relating to installment payments of estimated income tax by corporations, see section 6154 and §§ 1.6154–1 to 1.6154–3, inclusive.

(2) *Method of election.* A corporation shall be considered to have made an election to pay its tax in installments if—

(i) It files its income tax return on or before the date prescribed therefor (determined without regard to any extension of time) and pays 50 percent of the unpaid amount of the tax at such time, or

(ii) It files an application on Form 7004 for an automatic extension of time to file its income tax return, as provided in § 1.6081–3, and pays 50 percent of the unpaid amount of the tax at such time.

Except as provided in paragraph (c) of this section, the installment privilege is limited to the unpaid amount of tax as shown on the income tax return filed in accordance with the provisions of subdivision (i) of this subparagraph, or as shown on the Form 7004 filed in accordance with the provisions of subdivision (ii) of this subparagraph.

(b) *Privilege of estates of decedents to make installment payments.* With respect to the income tax imposed by chapter 1 of the Code upon estates of decedents, the fiduciary may elect to pay the tax in four equal installments instead of in a single payment. If the election is made, the tax shall be paid as follows:

(1) Twenty-five percent on or before the date prescribed for the payment of the tax as a single payment,

(2) Twenty-five percent on or before three months after the date prescribed for payment of the first installment,

(3) Twenty-five percent on or before six months after the date prescribed for payment of the first installment, and

(4) Twenty-five percent on or before nine months after the date prescribed for payment of the first installment.

(c) *Proration of deficiency to installments.* If an election has been made to pay the tax imposed by chapter 1 of the Code in installments, and a deficiency has been assessed, the deficiency shall be prorated equally to all the installments, whether paid or unpaid. Except as provided in section 6861, relating to jeopardy assessment, the part of the deficiency so prorated to any installment

which is not yet due shall be collected at the same time as and as part of such installment. The part of the deficiency so prorated to any installment the date for payment of which has arrived shall be paid upon notice and demand from the district director.

(d) *Acceleration of payment.* If a taxpayer elects under the provisions of this section to pay the tax in installments, any installment may be paid prior to the date prescribed for its payment. If an installment is not paid in full on or before the date fixed for its payment the whole amount of the unpaid tax shall be paid upon notice and demand from the district director.

§ 1.6161 Statutory provisions; extension of time for paying tax.

SEC. 6161. *Extension of time for paying tax*—(a) *Amount determined by taxpayer on return*—(1) *General rule.* The Secretary or his delegate, except as otherwise provided in this title, may extend the time for payment of the amount of the tax shown, or required to be shown, on any return or declaration required under authority of this title (or any installment thereof), for a reasonable period not to exceed 6 months from the date fixed for payment thereof. Such extension may exceed 6 months in the case of a taxpayer who is abroad.

* * * * *

(b) *Amount determined as deficiency.* Under regulations prescribed by the Secretary or his delegate, the Secretary or his delegate may extend, to the extent provided below, the time for payment of the amount determined as a deficiency:

(1) In the case of a tax imposed by chapter 1 or 12, for a period not to exceed 18 months from the date fixed for payment of the deficiency, and, in exceptional cases, for a further period not to exceed 12 months;

* * * * *

An extension under this subsection may be granted only where it is shown to the satisfaction of the Secretary or his delegate that the payment of a deficiency upon the date fixed for the payment thereof will result in undue hardship to the taxpayer in the case of a tax imposed by chapter 1, to the estate in the case of a tax imposed by chapter 11, or to the donor in the case of a tax imposed by chapter 12. No extension shall be granted if the deficiency is due to negligence, to intentional disregard of rules and regulations, or to fraud with intent to evade tax.

* * * * *

§ 1.6161–1 Extension of time for paying tax or deficiency.

(a) *In general*—(1) *Tax shown or required to be shown on return.* A reasonable extension of the time for payment of the amount of any tax imposed by subtitle A of the Code and shown or required to be shown on any return, or for payment of the amount of any installment of such tax, may be granted by the district directors (including the Director, International Operations Division) at the request of the taxpayer. The period of such extension shall not be in excess of six months from the date fixed for payment of such tax or installment, except that if the taxpayer is abroad the period of the extension may be in excess of six months.

(2) *Deficiency.* The time for payment of any amount determined as a deficiency in respect of tax imposed by chapter 1 of subtitle A of the Code, or for the payment of any part thereof, may, at the request of the taxpayer, be extended by the internal revenue officer to whom the tax is required to be paid for a period not to exceed 18 months from the date fixed for payment of the deficiency, as shown on the notice and demand, and, in exceptional cases, for a further period not in excess of 12 months. No extension of the time for payment of a deficiency shall be granted if the deficiency is due to negligence, to intentional disregard of rules and regulations, or to fraud with intent to evade tax.

(3) *Extension of time for filing distinguished.* The granting of an extension of time for filing a return does not operate to extend the time for the payment of the tax or any part thereof, unless so specified in the extension.

(b) *Undue hardship required for extension.* An extension of the time for payment shall be granted only upon a satisfactory showing that payment on the due date of the amount with respect to which the extension is desired will result in an undue hardship. The extension will not be granted upon a general statement of hardship. The term "undue hardship" means more than an inconvenience to the taxpayer. It must appear that substantial financial loss, for example, loss due to the sale of property at a sacrifice price, will result to the taxpayer from making payment on the due date of the amount with respect to which the extension is desired. If a market exists, the sale of property at the current market price is not ordinarily considered as resulting in an undue hardship.

(c) *Application for extension.* An application for an extension of the time for payment of the tax shown or required to be shown on any return, or for the payment of any installment thereof, or for the payment of any amount determined as a deficiency shall be made on Form 1127 and shall be accompanied by evidence showing the undue hardship that would result to the taxpayer if the extension were refused. Such application shall also be accompanied by a statement of the assets and liabilities of the taxpayer and an itemized statement showing all receipts and disbursements for each of the three months immediately preceding the due date of the amount to which the application relates. The application, with supporting documents, must be filed with the internal revenue officer to whom the tax is required to be paid on or before the date prescribed for payment of the amount with respect to which the extension is desired. The application will be examined, and within 30 days, if possible, will be denied, granted, or tentatively granted subject to certain conditions of which the taxpayer will be notified. If an additional extension is desired, the request therefor must be made on or before the expiration of the period for which the prior extension is granted.

(d) *Payment pursuant to extension.* If an extension of time for payment is granted, the amount the time for payment of which is so extended shall be paid on or before the expiration of the period of the extension without the necessity of notice and demand. The granting of an extension of the time for payment of the tax or deficiency does not relieve the taxpayer from liability for the payment of interest thereon during the period of the extension. See section 6601 and § 301.6601–1 of this chapter. Further, the granting of an extension of the time for payment of one installment of the tax does not extend the time for payment of subsequent installments.

(e) *Cross reference.* For extensions of time for payment of estimated tax, see §§ 1.6073–4 and 1.6074–3.

§ 1.6162 Statutory provisions; extension of time for payment of tax on gain attributable to liquidation of personal holding companies.

SEC. 6162. *Extension of time for payment of tax on gain attributable to liquidation of personal holding companies*—(a) *Extension permitted.* The Secretary or his delegate may (under regulations prescribed by the Secretary or his delegate) extend (for a period not to exceed 5 years from the date fixed for the payment of the tax) the time for the payment of such portion of the amount determined as the tax under chapter 1 by the taxpayer for any taxable year beginning before January 1, 1956, as is attributable to the short-term or long-term capital gain derived by the taxpayer from the receipt by him of property other than money on a complete liquidation of a corporation to which section 331(a)(1) or 342 applies. This section shall apply only if the corporation, for its taxable year preceding the year in which occurred the complete liquidation (or the first of the series of distributions in complete liquidation), was, under the law applicable to such taxable year, a personal holding company or a foreign personal holding company. An extension under this section shall be granted only if it is shown to the satisfaction of the Secretary or his delegate that the failure to grant the extension will result in undue hardship to the taxpayer.

(b) *Security.* For authority of the Secretary or his delegate to require security in the case of such an extension, see section 6165.

§ 1.6162–1 Extension of time for payment of tax on gain attributable to liquidation of personal holding companies.

(a) *In general.* (1) If it is shown to the satisfaction of the district director that undue hardship to the taxpayer will result from the payment of such portion of the amount determined as the tax under chapter 1 of the Code by the taxpayer as is attributable to the short-term or long-term capital gain derived by the taxpayer from the receipt by him of property other than money on a complete liquidation of a corporation to which section 331(a)(1) or 432 applies, the district director may grant an extension of time for the payment of such portion of the tax. For the meaning of the term "undue hardship", see paragraph (b) of § 1.6161–1.

(2) The extension of time for payment shall be for a period not in excess of five years. The extension shall only be granted for a taxable year beginning before January 1, 1956, and shall apply only if the corporation, for its taxable year preceding the year in which occurred the complete liquidation (or the first of the series of distributions in complete liquidation), was, under the law applicable to such taxable year, a

personal holding company or a foreign personal holding company.

(b) *Requirement of bond.* As a condition to the granting of an extension of time for payment, the taxpayer will usually be required by the district director to furnish a bond as provided in section 6165 and the regulations thereunder. For other provisions with respect to bonds, see section 7101 and the regulations thereunder.

§ 1.6164 Statutory provisions; extension of time for payment of taxes by corporations expecting carrybacks.

SEC. 6164. *Extension of time for payment of taxes by corporations expecting carrybacks*—(a) *In general.* If a corporation, in any taxable year, files with the Secretary or his delegate a statement, as provided in subsection (b), with respect to an expected net operating loss carryback from such taxable year, the time for payment of all or part of any tax imposed by subtitle A for the taxable year immediately preceding such taxable year shall be extended, to the extent and subject to the conditions and limitations hereinafter provided in this section.

(b) *Contents of statement.* The statement shall be filed at such time and in such manner and form as the Secretary or his delegate may by regulations prescribe. Such statement shall set forth that the corporation expects to have a net operating loss carryback, as provided in section 172(b), from the taxable year in which such statement is made, and shall set forth, in such detail and with such supporting data and explanation as such regulations shall require—

(1) The estimated amount of the expected net operating loss;

(2) The reasons, facts, and circumstances which cause the corporation to expect such net operating loss;

(3) The amount of the reduction of the tax previously determined attributable to the expected carryback, such tax previously determined being ascertained in accordance with the method prescribed in section 1314 (a); and such reduction being determined by applying the expected carryback in the manner provided by law to the items on the basis of which such tax was determined;

(4) The tax and the part thereof the time for payment of which is to be extended; and

(5) Such other information for purposes of carrying out the provisions of this section as may be required by such regulations.

The Secretary or his delegate shall, upon request, furnish a receipt for any statement filed, which shall set forth the date of such filing.

(c) *Amount to which extension relates and installment payments.* The amount the time for payment of which may be extended under subsection (a) with respect to any tax shall not exceed the amount of such tax shown on the return, increased by any amount assessed as a deficiency (or as interest or addition to the tax) prior to the date of filing the statement and decreased by any amount paid or required to be paid prior to the date of such filing, and the total amount of the tax the time for payment of which may be extended shall not exceed the amount stated under subsection (b) (3). For purposes of this subsection, an amount shall not be considered as required to be paid unless shown on the return or assessed as a deficiency (or as interest or addition to the tax), and an amount assessed as a deficiency (or as interest or addition to the tax) shall be considered to be required to be paid prior to the date of filing of the statement if the 10th day after notice and demand for its payment occurs prior to such date. If an extension of time under this section relates to only a part of the tax, the time for payment of the remainder shall be considered to be the dates on which payments would have been required if such remainder had been the tax and the taxpayer had elected to pay the tax in installments as provided in section 6152.

(d) *Period of extension.* The extension of time for payment provided in this section shall expire—

(1) On the last day of the month in which falls the last date prescribed by law (including any extension of time granted the taxpayer) for the filing of the return for the taxable year of the expected net operating loss, or

(2) If an application for tentative carryback adjustment provided in section 6411 with respect to such loss is filed before the expiration of the period prescribed in paragraph (1), on the date on which notice is mailed by certified mail or registered mail by the Secretary or his delegate to the taxpayer that such application is allowed or disallowed in whole or in part.

(e) *Revised statements.* Each statement filed under subsection (a) with respect to any taxable year shall be in lieu of the last statement previously filed with respect to such year. If the amount the time for payment of which is extended under a statement filed is less than the amount under the last statement previously filed, the extension of time shall be terminated as to the difference between the two amounts.

(f) *Termination.* The Secretary or his delegate is not required to make any examination of the statement, but he may make such examination thereof as he deems necessary and practicable. The Secretary or his delegate shall terminate the extension as to any part of the amount to which it relates which he deems should be terminated because, upon such examination, he believes that, as of the time such examination is made, all or any part of the statement clearly is in a material respect erroneous or unreasonable.

(g) *Payments on termination.* If an extension of time is terminated under subsection (e) or (f) with respect to any amount, then—

(1) No further extension of time shall be made under this section with respect to such amount, and

(2) The time for payment of such amount shall be considered to be the dates on which payments would have been required if there had been no extension with respect to such amount and the taxpayer had elected to pay the tax in installments as provided in section 6152.

(h) *Jeopardy.* If the Secretary or his delegate believes that collection of the amount to which an extension under this section relates is in jeopardy, he shall immediately terminate such extension, and notice and demand shall be made by him for payment of such amount.

(i) *Consolidated returns.* If the corporation seeking an extension of time under this section made or was required to make a consolidated return, either for the taxable year within which the net operating loss arises or for the preceding taxable year affected by such loss, the provisions of such section shall apply only to such extent and subject to such conditions, limitations, and exceptions as the Secretary or his delegate may by regulations prescribe.

[Sec. 6164 as amended by sec. 89(b), Technical Amendments Act 1958 (72 Stat. 1665)]

§ 1.6164–1 Extensions of time for payment of taxes by corporations expecting carrybacks.

(a) *In general.* If a corporation in any taxable year files a statement with respect to an expected net operating loss carryback from such taxable year, such corporation may extend the time for the payment of all or part of any tax imposed by subtitle A for the taxable year immediately preceding such taxable year to the extent and subject to the limitations provided in section 6164. A corporation may extend the time for payment with respect to only such taxes as meet the following requirements:

(1) The tax must be one imposed by subtitle A of the Code;

(2) The tax must be for the taxable year immediately preceding the taxable year of the expected net operating loss;

(3) The tax must be shown on the return or must be assessed within the taxable year of the expected net operating loss; and

(4) The tax must not have been paid or required to have been paid prior to the filing of the statement.

(b) *Statement for purpose of extending time for payment.* (1) The time for payment of the tax is automatically extended upon the filing of a statement on Form 1138 by the corporation with the district director for the district where the tax is payable. The statement on Form 1138 must be filled out in accordance with the instructions accompanying the form, and all information required by the form and the instructions must be furnished by the taxpayer. The district director, upon request, will furnish a receipt for any statement filed. Such receipt will show the date the statement was filed.

(2) The period of extension is that provided in section 6164 (d) and § 1.6164–5 unless sooner terminated by action of either the district director or the corporation.

§ 1.6164–2 Amount of tax the time for payment of which may be extended.

(a) *Total amount to which extension may relate.* The total amount of tax the time for payment of which may be extended under section 6164 may not exceed the amount of the reduction of the taxes previously determined attributable to the expected carryback.

(b) *Amount of tax to which extension may relate.* (1) The taxpayer shall specify on Form 1138 the kind of tax and the amount thereof the time for payment of which is to be extended. The amount of tax to which an extension may relate shall not exceed the amount of such tax shown on the return as filed, increased by any amount assessed as a deficiency (or as interest or addition to the tax) prior to the date of filing the statement and decreased by any amount paid or required to be paid prior to such date. In determining the amount of tax required to be paid prior to the date of filing the statement, only the following amounts shall be taken into consideration:

(i) The amount of the tax shown on the return as filed; and

(ii) Any amount assessed as a deficiency (or as interest or addition to the tax) if the tenth day after notice and demand for its payment occurs prior to the date of the filing of the statement.

(2) Delinquent installments are to be considered amounts required to be paid prior to the date of filing the statement. In the case of any authorized extension of time under sections 6161 and 6162,

the amount of tax the time for payment of which is so extended is not to be considered required to be paid prior to the end of such extension. Similarly, any amount assessed as a deficiency (or as interest or addition to the tax) is not to be considered required to be paid prior to the date of the filing of the statement unless the tenth day after notice and demand for its payment falls prior to the date of the filing of the statement.

(3) The taxpayer may choose to extend the time for payment of all of one or more taxes, or it may choose to extend the time for payment of portions of several taxes. The taxes chosen by the taxpayer need not be those taxes which are affected by the carryback.

§ 1.6164–3 Computation of the amount of reduction of the tax previously determined.

(a) *Tax previously determined.* The taxpayer is to determine the amount of the reduction, attributable to the expected carryback, in the aggregate of the taxes previously determined for taxable years prior to the taxable year of the expected net operating loss. The tax previously determined is to be ascertained in accordance with the method prescribed in section 1314(a). Thus, the tax previously determined will be the tax shown on the return as filed, increased by any amounts assessed (or collected without assessment) as deficiencies prior to the date of the filing of the statement, and decreased by any amounts abated, credited, refunded, or otherwise repaid prior to such date. Any items as to which the Internal Revenue Service and the taxpayer are in disagreement at the time of the filing of the statement shall be taken into account in ascertaining the tax previously determined only if, and to the extent that, they were reported in the return, or were reflected in any amounts assessed (or collected without assessment) as deficiencies, or in any amounts abated, credited, refunded, or otherwise repaid, prior to the date of the filing of the statement. The tax previously determined will reflect the foreign tax credit and the credit for tax withheld at source provided in section 32.

(b) *Reduction attributable to the expected carryback.* The reduction, attributable to the expected carryback or related adjustments, in any tax previously determined is to be ascertained by applying the expected carryback as if it were a determined net operating loss carryback, in accordance with the provisions of section 172 and §§ 1.172–1 to 1.172–8, inclusive. Items must be taken into account only to the extent that such items were included in the return, or were reflected in amounts assessed (or collected without assessment) as deficiencies, or in amounts abated, credited, refunded, or otherwise repaid, prior to the date of the filing of the statement. Thus, for example, if the taxpayer claims a deduction for depreciation of $10,000 in its return and the Internal Revenue Service asserts that only $4,000 is properly deductible, no change is to be made in the $10,000 depreciation deduction as shown by the taxpayer on his return unless a deficiency has been assessed, or an amount collected without assessment, prior to the date of filing of the statement as a result of a change in the depreciation deduction, or unless such change in the depreciation deduction was reflected in an amount abated, credited, refunded, or otherwise repaid prior to such date.

§ 1.6164–4 Payment of remainder of tax where extension relates to only part of the tax.

(a) *Time for payment.* If an extension of time relates to only part of the tax, the time for payment of the remainder of the tax shall be considered to be the dates on which payments would have been required if such remainder had been the tax and the taxpayer had elected to pay the tax in installments as provided in section 6152(a).

(b) *Example.* The provisions of this section may be illustrated by the following example:

Example. Corporation X, which keeps its books and makes its tax returns on the calendar year basis, filed its income tax return for 1956 on March 15, 1957. The corporation showed a tax of $1,000 on its return and paid 50 percent of such tax, or $500 on March 15, 1957. On June 3, 1957, corporation X, pursuant to the provisions of section 6164, extended the time for payment of $400 of such tax. The remainder of the tax the time for payment of which was not so extended, i. e., $600, is to be considered the tax for purposes of determining when it is to be paid. The remainder is considered to be due on the dates on which payment would have been required if such remainder had been the tax. Since the taxable year ended on December 31, 1956, the tax is payable in two equal installments of $300 each on March 15, 1957, and June 17, 1957. The taxpayer, having paid $500 on March 15, 1957, will have $100 to pay on June 17, 1957.

§ 1.6164–5 Period of extension.

If the time for the payment of any tax has been extended pursuant to section 6164, such extension shall expire:

(a) On the last day of the month in which falls the last date prescribed by law (including any extension of time granted the taxpayer) for the filing of the return for the taxable year of the expected net operating loss; or

(b) If an application for a tentative carryback adjustment provided in section 6411 with respect to such loss is filed before the expiration of the period specified in paragraph (a) of this section, on the date on which notice is mailed by registered mail prior to September 3, 1958, and by either registered or certified mail on and after September 3, 1958, to the taxpayer that such application is allowed or disallowed in whole or in part.

§ 1.6164–6 Revised statements.

(a) *Requirements and effect.* A corporation may file more than one statement under section 6164 with respect to any one taxable year. Each statement is to be considered a new statement and not an amendment of any prior statement. Each such new statement is to be in lieu of the last statement previously filed with respect to the taxable year. The new statement may extend the time for payment of a greater or lesser amount of tax than was extended under the prior statement or may change the kind of tax the time for payment of which is to be extended. The extension may not relate to any amount of tax which was paid or required to be paid prior to the date of filing the new statement. Any amount of tax the time for payment of which was extended under a prior statement, however, may continue to be extended under the new statement. If the amount the time for payment of which is extended under the new statement is less than the amount so extended under the last statement previously filed, the extension of time shall be terminated on the date the new statement is filed as to the difference between the two amounts. See § 1.6164–8 for the dates on which such difference must be paid. If a corporation pays any amount of tax, the time for payment of which was extended, prior to the date the extension would otherwise terminate, the extension with respect to such amount shall be deemed terminated, without regard to whether a new statement is filed, on the date such amount is paid. The corporation shall indicate on each new statement filed that it has already filed one or more prior statements with respect to the taxable year. The corporation shall likewise indicate the date each prior statement was filed and the amount of each tax the time for payment of which was extended under each prior statement.

(b) *Example.* The provisions of this section may be illustrated by the following example:

Example. Corporation Y, which keeps its books and makes its tax returns on the calendar year basis, filed its income tax return for 1956 on March 15, 1957, showing a tax of $100,000. At the same time it filed a statement under section 6164 in which it stated that it expected to have a net operating loss of $75,000 in 1957 and that the reduction in the tax previously determined for 1955 (the second taxable year preceding the year of the expected net operating loss) attributable to the expected net operating loss carryback resulting from such expected loss, would be $39,000. The corporation accordingly extended the time for payment of $39,000 of its income tax for 1956, and paid $30,500 (50 percent of the excess of $100,000 over $39,000) of such tax on March 15, 1957 (see section 6164(a) and § 1.6164–4). As a result of its operations during the next several months, the corporation filed a second statement on June 3, 1957, in which it stated that its expected net operating loss for 1957 would amount to $150,000 and that the corresponding reduction in the tax for 1955 would amount to $78,000. Corporation Y under the new statement may extend the time for payment of $30,500, the installment due on June 17, 1957, and the time for payment of the $39,000 extended under the first statement filed on March 15, 1957, may continue to be extended under the second statement. The $30,500 which was paid on March 15, 1957, will not be affected by the second statement filed on June 3, 1957.

§ 1.6164–7 Termination by district director.

(a) *After an examination of the statement filed by the corporation is made.* The district director is authorized to make such examination of the statements filed as he deems necessary and practicable. If, upon such examination as he may make, the district director believes that, as of the time he makes the

examination, all or any part of the statement is in a material respect erroneous or unreasonable, he will terminate the extension as to any part of the amount to which such extension relates which he deems should be terminated.

(b) *Jeopardy.* If the district director believes that the collection of any amount to which an extension under section 6164 relates is in jeopardy, he will immediately terminate the extension. In the case of such a termination, notice and demand shall be made by the district director for payment of such amount, and there may be no further extension of time under section 6164 with respect to such amount.

§ 1.6164–8 Payments on termination.

(a) *In general.* If an extension of time under section 6164 is terminated with respect to any amount either (1) by the filing of a new statement by the taxpayer under section 6164(e) extending the time for payment of a lesser amount than was extended in a prior statement, or (2) by action of the district director under section 6164(f) after making an examination of the statement filed by the corporation, no further extension of time may be made under section 6164 with respect to such amount. The time for payment of such amount shall be the dates on which payments would have been required if there had been no extension with respect to such amount and the taxpayer had elected under section 6152(a) to pay the tax in installments.

(b) *Example.* The provisions of this section may be illustrated by the following example:

Example. Corporation Z, which keeps its books and makes its tax returns on the calendar year basis, filed its income tax return for 1956 on March 15, 1957, showing a tax of $100,000. At the same time it filed a statement under section 6164 extending the time for payment of the entire $100,000 on the basis of an expected net operating loss carryback from 1957. On April 10, 1957, the corporation filed a new statement indicating that the reduction, attributable to the carryback from 1957, in its income tax for 1956, would only be $80,000, and thus terminated the above extension of $20,000. The time for payment of such $20,000 may not be extended again, and such $20,000 is payable as if it were the tax for 1956 and corporation Z had elected to pay such tax in installments. That is, $10,000 is payable on March 15, 1957, and $10,000 payable on June 17, 1957. Inasmuch as the March 15 date had already passed when the corporation Z terminated the extension with respect to the $20,000, $10,000 is payable immediately upon such termination, and the other installment of $10,000 is payable on June 17, 1957. This example would also apply if the extension of time for payment of the $20,000 were terminated instead by the district director on April 10, 1957.

§ 1.6164–9 Cross references.

For provisions with respect to interest due on amounts the payment of which is extended under section 6164, see section 6601 and § 301.6601–1(e) of this chapter. For provisions relating to the applicability of section 6164 in the case of corporations making or required to make consolidated returns, see § 1.1502–19.

TENTATIVE CARRYBACK ADJUSTMENTS

§ 1.6411 Statutory provisions; tentative carryback adjustments.

SEC. 6411. *Tentative carryback adjustments*—(a) *Application for adjustment.* A taxpayer may file an application for a tentative carryback adjustment of the tax for the prior taxable year affected by a net operating loss carryback, provided in section 172(b), from any taxable year. The application shall be verified in the manner prescribed by section 6065 in the case of a return of such taxpayer, and shall be filed, on or after the date of filing of the return for the taxable year of the net operating loss from which the carryback results and within a period of 12 months from the end of such taxable year, in the manner and form required by regulations prescribed by the Secretary or his delegate. The application shall set forth in such detail and with such supporting data and explanation as such regulations shall require—

(1) The amount of the net operating loss;

(2) The amount of the tax previously determined for the prior taxable year affected by such carryback, the tax previously determined being ascertained in accordance with the method prescribed in section 1314(a);

(3) The amount of decrease in such tax, attributable to such carryback, such decrease being determined by applying the carryback in the manner provided by law to the items on the basis of which such tax was determined;

(4) The unpaid amount of such tax, not including any amount required to be shown under paragraph (5);

(5) The amount, with respect to the tax for the taxable year immediately preceding the taxable year of such loss, as to which an extension of time for payment under section 6164 is in effect; and

(6) Such other information for purposes of carrying out the provisions of this section as may be required by such regulations.

An application under this subsection shall not constitute a claim for credit or refund.

(b) *Allowance of adjustments.* Within a period of 90 days from the date on which an application for a tentative carryback adjustment is filed under subsection (a), or from the last day of the month in which falls the last date prescribed by law (including any extension of time granted the taxpayer) for filing the return for the taxable year of the net operating loss from which such carryback results, whichever is the later, the Secretary or his delegate shall make, to the extent he deems practicable in such period, a limited examination of the application, to discover omissions and errors of computation therein, and shall determine the amount of the decrease in the tax attributable to such carryback upon the basis of the application and the examination, except that the Secretary or his delegate may disallow, without further action, any application which he finds contains errors of computation which he deems cannot be corrected by him within such 90-day period or material omissions. Such decrease shall be applied against any unpaid amount of the tax decreased (including any amount of such tax as to which an extension of time under section 6164 is in effect) and any remainder shall be credited against any unsatisfied amount of any tax for the taxable year immediately preceding the taxable year of the net operating loss the time for payment of which tax is extended under section 6164. Any remainder shall, within such 90-day period, be either credited against any tax or installment thereof then due from the taxpayer, or refunded to the taxpayer.

(c) *Consolidated returns.* If the corporation seeking a tentative carryback adjustment under this section, made or was required to make a consolidated return, either for the taxable year within which the net operating loss arises, or for the preceding taxable year affected by such loss, the provisions of this section shall apply only to such extent and subject to such conditions, limitations, and exceptions as the Secretary or his delegate may by regulations prescribe.

§ 1.6411–1 Tentative carryback adjustments.

(a) *In general.* Any taxpayer who has a net operating loss under section 172 may file an application under section 6411 for a tentative carryback adjustment of the taxes for taxable years prior to the taxable year of the loss which are affected by the net operating loss carryback resulting from such loss. The right to file an application for a tentative carryback adjustment is not limited to corporations, but is available to any taxpayer. A corporation may file an application for a tentative carryback adjustment even though it has not extended the time for payment of tax under section 6164.

(b) *Contents of application.* (1) The application for a tentative carryback adjustment shall be filed, in the case of a corporation, on Form 1139, and in the case of taxpayers other than corporations, on Form 1045. The application shall be filled out in accordance with the instructions accompanying the form, and all information required by the form and the instructions must be furnished by the taxpayer.

(2) An application for a tentative carryback adjustment does not constitute a claim for credit or refund. If such application is disallowed by the district director in whole or in part, no suit may be maintained in any court for the recovery of any tax based on such application. The filing of an application for a tentative carryback adjustment will not constitute the filing of a claim for credit or refund within the meaning of section 6511 for purposes of determining whether a claim for credit or refund was filed prior to the expiration of the applicable period of limitation. The taxpayer, however, may file a claim for credit or refund under section 6402 at any time prior to the expiration of the applicable period of limitation, and may maintain a suit based on such claim if it is disallowed or if the district director does not act on the claim within six months from the date it is filed. Such claim may be filed before, simultaneously with, or after the filing of the application for a tentative carryback adjustment. A claim for credit or refund under section 6402 filed after the filing of an application for a tentative carryback adjustment is not to be considered an amendment of such application. Such claim, however, in proper cases may constitute an amendment to a prior claim filed under section 6402.

(c) *Time and place for filing application.* The application for a tentative carryback adjustment shall be filed on or after the date of the filing of the return for the taxable year of the net operating loss and shall be filed within a period of twelve months from the end of such taxable year. Any application filed prior

to the date the return for the taxable year of the loss is filed shall be considered to have been filed on the date such return is filed. The application shall be filed with the district director for the district in which the tax was paid or the assessment was made.

§ 1.6411–2 Computation of tentative carryback adjustment.

(a) *Tax previously determined.* The taxpayer is to determine the amount of decrease, attributable to the carryback, in tax previously determined for each taxable year before the taxable year of the net operating loss. The tax previously determined is to be ascertained in accordance with the method prescribed in section 1314(a). Thus, the tax previously determined will be the tax shown on the return as filed, increased by any amounts assessed (or collected without assessment) as deficiencies before the date of the filing of the application for a tentative carryback adjustment, and decreased by any amounts abated, credited, refunded, or otherwise repaid prior to such date. Any items as to which the Internal Revenue Service and the taxpayer are in disagreement at the time of the filing of the application shall be taken into account in ascertaining the tax previously determined only if, and to the extent that, they were reported in the return, or were reflected in any amounts assessed (or collected without assessment) as deficiencies, or in any amounts abated, credited, refunded, or otherwise repaid, before the date of filing the application. The tax previously determined, therefore, will reflect the foreign tax credit and the credit for tax withheld at source provided in section 32.

(b) *Decrease attributable to carryback.* The decrease in tax previously determined which is affected by the carryback or any related adjustments, is to be determined, except for such carryback and related adjustments, on the basis of the items which entered into the computation of such tax as previously determined; the tax previously determined being ascertained in the manner described in this section. In determining any such decrease, items shall be taken into account only to the extent that they were reported in the return, or were reflected in amounts assessed (or collected without assessment) as deficiencies, or in amounts abated, credited, refunded, or otherwise repaid, before the date of filing the application for a tentative carryback adjustment. If the Internal Revenue Service and the taxpayer are in disagreement as to the proper treatment of any item, it shall be assumed for purposes of determining the decrease in the tax previously determined that such item was correctly reported by the taxpayer unless, and to the extent that, the disagreement has resulted in the assessment of a deficiency (or the collection of an amount without an assessment), or the allowing or making of an abatement, credit, refund, or other repayment, before the date of filing the application. Thus, if the taxpayer claimed a deduction on its return of $50,000 for salaries paid its officers but the district director asserts that such deduction should not exceed $20,000, and the Internal Revenue Service and the taxpayer have not agreed on the amount properly deductible before the date the application for a tentative carryback adjustment is filed, $50,000 shall be considered as the amount properly deductible for purposes of determining the decrease in tax previously determined in respect of the application for a tentative carryback adjustment. In determining the decrease in tax previously determined, any items which are affected by the carryback must be adjusted to reflect such carryback. Thus, unless otherwise provided, any deduction limited, for example, by adjusted gross income, such as the deduction for medical, dental, etc., expenses is to be recomputed on the basis of the adjusted gross income as affected by the carryback.

§ 1.6411–3 Allowance of adjustments.

(a) *Time prescribed.* The district director shall act upon any application for a tentative carryback adjustment filed under section 6411(a) within a period of 90 days from whichever of the following two dates is the later:

(1) The date the application is filed; or

(2) The last day of the month in which falls the last date prescribed by law (including any extension of time granted the taxpayer) for filing the return for the taxable year of the net operating loss from which the carryback results.

(b) *Examination.* Within the 90-day period described in paragraph (a) of this section, the district director shall make, to the extent he deems practicable in such period, an examination of the application to discover omissions and errors of computation. He shall determine within such period the decrease in tax previously determined, affected by the carryback or any related adjustments, upon the basis of the application and such examination. Such decrease shall be determined in the same manner as that provided in section 1314(a) for the determination by the taxpayer of the decrease in taxes previously determined which must be set forth in the application for a tentative carryback adjustment. The district director, however, may correct any errors of computation or omissions he may discover upon examination of the application. In determining the decrease in tax previously determined which is affected by the carryback or any related adjustment, he accordingly may correct any mathematical error appearing on the application and he may likewise correct any modification required by the law and incorrectly made by the taxpayer in computing its net operating loss, the resulting carrybacks, or its net operating loss deduction. If the required modification has not been made by the taxpayer and the district director has available the necessary information to make such modification within the 90-day period, he may, in his discretion, make such modification. In determining such decrease, however, the district director will not, for example, change the amount claimed on the return as a deduction for depreciation because he believes that the taxpayer has claimed an excessive amount; likewise, he will not include in gross income any amount not so included by the taxpayer, even though the district director believes that such amount is subject to tax and properly should be included in gross income.

(c) *Disallowance in whole or in part.* If the district director finds that an application for a tentative carryback adjustment contains material omissions or errors of computation, he may disallow such application in whole or in part without further action. If, however, he deems that any error of computation can be corrected by him within the 90-day period, he may do so and allow the application in whole or in part. The district director's determination as to whether he can correct any error of computation within the 90-day period shall be conclusive. Similarly, his action in disallowing, in whole or in part, any application for a tentative carryback adjustment shall be final and may not be challenged in any proceeding. The taxpayer in such case, however, may file a claim for credit or refund under section 6402, and may maintain a suit based on such claim if it is disallowed or if the district director does not act upon the claim within six months from the date it is filed.

(d) *Application of decrease.* (1) Each decrease determined by the district director in any previously determined tax which is affected by the carryback or any related adjustments shall first be applied against any unpaid amount of the tax with respect to which such decrease was determined. Such unpaid amount of tax may include one or more of the following:

(i) An amount with respect to which the taxpayer is delinquent;

(ii) An amount the time for payment of which has been extended under section 6164 and which is due and payable on or after the date of the allowance of the decrease; and

(iii) An amount (including an amount the time for payment of which has been extended under section 6161 or 6162, but not including an amount the time for payment of which has been extended under section 6164) which is due and payable on or after the date of the allowance of the decrease.

(2) In case the unpaid amount of tax includes more than one of such amounts, the district director, in his discretion, shall determine against which amount or amounts, and in what proportion, the decrease is to be applied. In general, however, the decrease will be applied against any amounts described in subparagraph (1) (i), (ii), and (iii) of this paragraph in the order named. If there are several amounts of the type described in subparagraph (1) (iii) of this paragraph, any amount of the decrease which is to be applied against such amounts will be applied by assuming that the tax previously determined minus the amount of the decrease to be so applied is "the tax" and that the taxpayer had elected to pay such tax in installments. The unpaid amount of tax against which a decrease may be ap-

plied under subparagraph (1) of this paragraph may not include any amount of tax for any taxable year other than the year of the decrease. After making such application, the district director will credit any remainder of the decrease against any unsatisfied amount of any tax for the taxable year immediately preceding the taxable year of the net operating loss the time for payment of which has been extended under section 6164.

(3) Any remainder of the decrease after such application and credits may, within the 90-day period, in the discretion of the district director, be credited against any tax or installment thereof then due from the taxpayer, and, if not so credited, shall be refunded to the taxpayer within such 90-day period.

§ 1.6411–4 Consolidated returns.

For further rules applicable to affiliated groups in the case of tentative carryback adjustments, see § 1.1502–19.

MISCELLANEOUS PROVISIONS

§ 1.9100–1 Extension of time for making certain elections.

(a) *In general.* The Commissioner in his discretion may, upon good cause shown, grant a reasonable extension of the time fixed by the regulations in this chapter for the making of an election or application for relief in respect of tax under subtitle A of the Code provided—

(1) The time for making such election or application is not expressly prescribed by law;

(2) Request for the extension is filed with the Commissioner before the time fixed for making such election or application, or within such time thereafter as the Commissioner may consider reasonable under the circumstances; and

(3) It is shown to the satisfaction of the Commisioner that the granting of the extension will not jeopardize the interests of the Government.

(b) *Exceptions.* Notwithstanding the provisions of paragraph (a) of this section, the time fixed by the regulations in this chapter will not be extended in cases such as the following:

(1) An election required to be made in or with the taxpayer's original income tax return;

(2) An election required to be exercised by the filing of a claim for credit or refund, unless the election is required to be exercised on or before a date which precedes the date of expiration of the period of limitations provided in section 6511;

(3) An election required to be filed in a petition to the Tax Court;

(4) An application for permission to change a previous election;

(5) An application for permission to change an accounting method as described in §§ 1.77–1 and 1.446–1;

(6) An application for permission to change an accounting period as described in § 1.442–1; or

(7) An application for permission to change the method of treating bad debts as described in § 1.166–1.

[F.R. Doc. 59–1438; Filed, Feb. 13, 1959; 12:30 p.m.]

[T.D. 6365]

PART 1—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

Exclusion From Gross Income of Cost-of-Living Allowances Received by Government Civilian Personnel Stationed in Alaska

In order to clarify the regulations relating to the exclusion from gross income of certain cost-of-living allowances received by Government civilian personnel stationed outside the continental United States in view of the admission of Alaska to the Union, § 1.912–1 of the Income Tax Regulations (26 CFR 1.912–1) is amended by striking out all of paragraph (b) and inserting in lieu thereof the following:

(b) For purposes of section 912(1), the term "continental United States" includes only the 48 States existing on February 25, 1944 (the date of the enactment of the Revenue Act of 1943) and the District of Columbia.

Because this Treasury decision merely clarifies the application of a provision of existing regulations in the light of the admission of Alaska to the Union, it is hereby found that it is unnecessary to issue this Treasury decision with notice and public procedure thereon under section 4(a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitation of section 4(c) of that Act.

(This Treasury decision is issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).)

[SEAL] DANA LATHAM,
Commissioner of Internal Revenue.

Approved: February 12, 1959.

FRED C. SCRIBNER, Jr.,
Acting Secretary of the Treasury.

[F.R. Doc. 59–1439; Filed, Feb. 13, 1959; 12:30 p.m.]

SUBCHAPTER E—ALCOHOL, TOBACCO, AND OTHER EXCISE TAXES

[T.D. 6363]

PART 179—MACHINE GUNS AND CERTAIN OTHER FIREARMS

Miscellaneous Amendments

On December 13, 1958, notice of proposed rule making with respect to the amendment of the regulation in 26 CFR Part 179 was published in the FEDERAL REGISTER (23 F.R. 9674). The proposed amendments would conform the regulation to Chapter 53 of the Internal Revenue Code of 1954 as amended by the Excise Tax Technical Changes Act of 1958 (Pub. Law 85–859, 72 Stat. 1275). No objection to the rules proposed having been received during the 30-day period prescribed in the notice, the amendments as so published are hereby adopted.

Because the amendments to Chapter 53 of the Internal Revenue Code of 1954, made by section 203 of the Excise Tax Technical Changes Act of 1958 were effective on the day following the date of enactment of such Act, it is found that it is impracticable and contrary to the public interest to issue this Treasury decision subject to the effective date limitation of section 4(c) of the Administrative Procedure Act (60 Stat. 238; 5 U.S.C. 1003). Accordingly, this Treasury decision is made effective as of September 3, 1958.

(68A Stat. 917; 26 U.S.C. 7805. Interpret or apply 68A Stat. 726; 26 U.S.C. 5847)

[SEAL] DANA LATHAM,
Commissioner of Internal Revenue.

Approved: February 11, 1959.

FRED C. SCRIBNER, Jr.,
Acting Secretary of the Treasury.

§ 179.30 [Amendment]

PARAGRAPH 1. Section 179.30 is amended by deleting the words "manufacture of" and inserting in lieu thereof the words "business of manufacturing".

§ 179.38 [Amendment]

PAR. 2. Section 179.38 is amended by deleting the words "designed and made" and inserting in lieu thereof the words "designed or redesigned and made or remade".

§ 179.40 [Amendment]

PAR. 3. Section 179.40 is amended by deleting the words "designed and made" and inserting in lieu thereof the words "designed or redesigned and made or remade".

§ 179.51 [Amendment]

PAR. 4. Section 179.51(b), is amended by deleting the period at the end of the second sentence and adding ", except that the special tax of $1.00 a year applicable to Class 5 Dealers shall not be prorated."

PAR 5. Section 179.76 is amended to read as follows:

§ 179.76 Rate of tax.

The tax on the making of a firearm is at the rate of $200 for each firearm made.

§ 179.77 [Amendment]

PAR. 6. Section 179.77 is amended by deleting "of the proper denomination (see § 179.76)".

§ 179.80 [Amendment]

PAR. 7. Section 179.80 is amended by deleting the last two sentences and inserting in lieu thereof "(see Subpart E)."

§ 179.83 [Amendment]

PAR. 8. Section 179.83 is amended by deleting "either section 5811 or".

§ 179.98 [Amendment]

PAR. 9. Section 179.98 is amended by changing the cross reference "(see § 179.102)" to read "(see § 179.81)."

§ 179.101 [Deletion]

PAR. 10. Section 179.101 is deleted in its entirety.

§ 179.102 [Redesignation]

PAR. 11. Section 179.102 is renumbered § 179.101.

[F.R. Doc. 59-1393; Filed, Feb. 16, 1959; 8:47 a.m.]

Title 32—NATIONAL DEFENSE

Chapter I—Office of the Secretary of Defense

SUBCHAPTER C—MILITARY PERSONNEL

PART 60—MANAGEMENT AND MOBILIZATION OF THE STANDBY RESERVE

The Secretary of Defense has approved the following policy:

Sec.
60.1 Purpose.
60.2 Applicability.
60.3 Responsibilities for management of the Standby Reserve.
60.4 Mobilization.
60.5 Addresses of State Directors, Selective Service System.

AUTHORITY: §§ 60.1 to 60.5 issued under RS 161; 5 U.S.C. 22. Interpret or apply sec. 672 of Title 10, U.S.C.

§ 60.1 Purpose.

The purpose of this part is to prescribe uniform policies with respect to management and mobilization of the Standby Reserve.

§ 60.2 Applicability.

This part is applicable to all military departments in exercising military control over persons transferred to the Standby Reserve and in calling members of the Standby Reserve to active duty pursuant to subsection 672(a) of Title 10, United States Code.

§ 60.3 Responsibilities for Management of the Standby Reserve.

(a) *Military departments.* The Secretaries of the military departments are responsible for:

(1) Exercising military control over members of the Standby Reserve.

(2) Maintaining such personnel records for members of the Standby Reserve as may be required by law and determined by the military departments to be necessary.

(3) Advising individuals who are transferred to the Standby Reserve of their duty to furnish local boards with information as prescribed by § 1690.10 of this title (Selective Service Regulations).

(4) Discharging members of the Standby Reserve in accordance with the provisions of § 52.6 of this chapter.

(5) Furnishing information promptly to the Selective Service System upon the assignment or transfer of a Reservist to or from the Standby Reserve and upon any change in military status of a member of the Standby Reserve.

(i) Upon the assignment or transfer of a Reservist to the Standby Reserve pursuant to the provisions of Part 53 or 52 of this chapter, the military department will complete DD Form 889[1] in accordance with the instructions printed thereon. If the Reservist concerned is a Selective Service registrant, the DD Form 889 will be sent to the State Director of the State in which the Reservist is registered. The appropriate State Director can be determined from the Selective Service number. The number is composed of four elements, the first of which is the State code. The key to State codes and the addresses of the various State Directors are shown in § 60.5. If the Reservist is not a registrant, the completed form will be sent to the State Director of the State in which the Reservist maintains his current mailing address.

(ii) Upon the transfer, discharge, or removal for any other reason of a Reservist from the Standby Reserve, the military department will promptly complete the left side of DD Form 889 and forward it to the same State Director to whom notification of the Reservist's entry into or membership in the Standby Reserve was previously addressed in accordance with subdivision (i) of this subparagraph.

(b) *Selective Service.* The Director of Selective Service is responsible by law for determining the availability of members of the Standby Reserve for involuntary order to active duty in time of war or national emergency declared by the Congress. To fulfill this statutory responsibility, the Director of Selective Service has prescribed that the Selective Service System will:

(1) Maintain current information pertaining to the civilian status of each member of the Standby Reserve.

(2) Determine, through local boards and appeals procedures of the Selective Service System, the availability of Standby Reservists for involuntary active duty. In making such determinations, local boards will be guided by Selective Service System policies which provide that:

(i) Consideration will be given to the military need for members of the Standby Reserve who have critical military occupations as well as to the need for critical civilian occupations in the supporting economy.

(ii) A Standby Reservist shall be declared nonavailable if continuance in his civil employment, occupation, activity, or other endeavors in time of war or national emergency declared by the Congress is found to be more essential to the maintenance of the national health, safety, welfare, or interest than the performance by him of active duty in the Armed Forces, or if it is determined that his performance of duty in the Armed Forces in time of war or national emergency declared by the Congress would result in extreme hardship or privation to his bona fide dependents.

(iii) The availability designation of a Standby Reservist is subject to periodic reevaluation and may be changed at any time such action would better serve the national interest.

(3) Furnish the military departments periodically with information concerning the Selective Service determination of availability of individual members of the Standby Reserve.

§ 60.4 Mobilization.

(a) *Availability of Standby Reservists for active duty.* In time of war or national emergency declared by Congress, or when otherwise authorized by law, Standby Reservists who have been found available by the Director of Selective Service may be involuntarily ordered to active duty by the military departments, provided it has been determined that there are not enough qualified members of the required category in the Ready Reserve.

(b) *Inactive Status List.* A Standby Reservist on the Inactive Status List who has been certified by the Director of Selective Service as being available for active duty will not be called into active military service without his consent unless the Secretary of the appropriate military department determines that adequate numbers of qualified members of the reserve components in an active status or in the inactive National Guard in the required category are not readily available. The provisions of DOD Directive No. 1235.1, Policy on Direct Appointments and on Adjustments, at Time of Entry into Active Military Service, of Grades of Civilian Specialists in the Reserve Forces Who Are Not Otherwise Expressly Provided for by Law, dated July 11, 1955, shall apply when Standby Reservists on the Inactive Status List are ordered to active duty.

(c) *Volunteers for active duty.* A member of the Standby Reserve who volunteers in writing for active duty shall be considered available for active duty and may be ordered into active military service by the appropriate military department pursuant to subsection 672(d), Title 10, United States Code. A determination of availability by the Director of Selective Service is not required and shall not apply in such cases. The appropriate State Director will be notified in such cases.

(d) *Nonavailable members of the Standby Reserve.* The Director of Selective Service has prescribed that members of the Standby Reserve who have been certified as not available for active duty shall be considered periodically to determine their availability to meet future requirements. Eighteen months after the initiation of general mobilization, the military departments shall review the cases of those Standby Reservists who have not been certified by the Director of Selective Service as available for active duty and, in the absence of cogent considerations to the contrary, shall separate such members from the Reserve.

[1] Filed as part of original document.

§ 60.5 Addresses of State Directors, Selective Service System.

State Code No.	State	Region	Address
1	Alabama	III	149 Lee Street, Montgomery, Ala.
51	Alaska	VI	Post Office Box No. 2691, Juneau, Alaska.
2	Arizona	VI	Post Office Box No. 2831, Phoenix, Ariz.
3	Arkansas	IV	Third Floor, Old Post Office Building, Second and Center Streets, Little Rock, Ark.
4	California	VI	Old Post Office Building, 7th and K Streets, Sacramento 14, Calif.
56	Canal Zone	IV	Post Office Box No. 2014, Balboa Heights, Canal Zone.
5	Colorado	V	Double A Building, 1300 Glenarm Place, Denver, Colo.
6	Connecticut	I	Post Office Box No. 1558, Hartford, Conn.
7	Delaware	II	Post Office Box No. 1928, Wilmington, Del.
49	District of Columbia	II	451 Indiana Avenue NW., Washington 25, D.C.
8	Florida	III	310 Charlotte Street, St. Augustine, Fla.
9	Georgia	III	901 West Peachtree Street NE., Atlanta, Ga.
55	Guam	VI	Post Office Box No. 326, Agana, Guam.
52	Hawaii	VI	Post Office Box No. 4005, Honolulu 12, Hawaii.
10	Idaho	VI	Post Office Box No. 1997, Boise, Idaho.
11	Illinois	V	405 East Washington Street, Springfield, Ill.
12	Indiana	V	36 South Pennsylvania Street, Indianapolis 9, Ind.
13	Iowa	V	Building 68, Fort Des Moines, Iowa.
14	Kansas	V	Masonic Temple Building, 10th and Van Buren Streets, Topeka, Kans.
15	Kentucky	II	220 Steele Street, Frankfort, Ky.
16	Louisiana	IV	Building TB 309, Jackson Barracks, New Orleans 12, La.
17	Maine	I	4 Union Street, Augusta, Maine.
18	Maryland	II	Fifth Regiment Armory, Hoffman and Bolton Streets, Baltimore 1, Md.
19	Massachusetts	I	55 Tremont Street, Boston, Mass.
20	Michigan	V	Post Office Box No. 626, Lansing 3, Mich.
21	Minnesota	V	100 East 10th Street, St. Paul 2, Minn.
22	Mississippi	III	Cor. South State and Silas Brown Streets, Jackson, Miss.
23	Missouri	V	411 Madison Street, Jefferson City, Mo.
24	Montana	VI	Post Office Box No. 1183, Helena, Mont.
25	Nebraska	V	State Capitol, Lincoln 9, Nebr.
26	Nevada	VI	P.O. Box No. 644, Carson City, Nev.
27	New Hampshire	I	Post Office Box No. 427, Concord, N.H.
28	New Jersey	I	1006 Broad Street, Newark 2, N.J.
29	New Mexico	IV	Post Office Box No. 1018, Santa Fe, N. Mex.
30	New York	I	Old Post Office Building, Albany 1, N.Y.
50	New York City	I	11th Floor, 205 East 42d Street, New York 17, N.Y.
31	North Carolina	III	Post Office Box No. 9513, Morgan Street Station, Raleigh, N.C.
32	North Dakota	V	Post Office Box No. 628, Bismarck, N. Dak.
33	Ohio	II	110 West Long Street, Columbus 15, Ohio.
34	Oklahoma	IV	Bankers Security Life Building, 114 North Broadway, Oklahoma City 2, Okla.
35	Oregon	VI	Post Office Box No. 4288, Portland 8, Oreg.
36	Pennsylvania	II	Post Office Box No. 92, Harrisburg, Pa.
53	Puerto Rico	III	Post Office Box No. 4031, San Juan, Puerto Rico.
37	Rhode Island	I	1 Washington Avenue, Providence, R.I.
38	South Carolina	III	Post Office Box No. 869, Columbia, S.C.
39	South Dakota	V	Post Office Box No. 1872, Rapid City, S. Dak.
40	Tennessee	III	1317 Church Street, Nashville, Tenn.
41	Texas	IV	304 East 5th Street, Austin 14, Tex.
42	Utah	VI	Building No. 102, Fort Douglas, Utah.
43	Vermont	I	151 Main Street, Montpelier, Vt.
44	Virginia	II	900 North Lombardy Street, Richmond 20, Va.
54	Virgin Islands	III	Post Office Box No. 360, St. Thomas, Virgin Islands.
45	Washington	VI	State Armory, Tacoma 5, Wash.
46	West Virginia	II	Embleton Building, 922 Quarrier Street, Charleston 1, W. Va.
47	Wisconsin	V	1220 Capitol Court, Madison 5, Wis.
48	Wyoming	V	Post Office Box No. 498, Cheyenne, Wyo.

This Part 60 supersedes and cancels Part 60 published at 22 F.R. 5575.

MAURICE W. ROCHE,
Administrative Secretary,
Office of the Secretary of Defense.

[F.R. Doc. 59-1407; Filed, Feb. 16, 1959; 8:49 a.m.]

Title 32A—NATIONAL DEFENSE, APPENDIX

Chapter XVIII—National Shipping Authority, Maritime Administration, Department of Commerce

[NSA Order No. 66 (OPR-6, Revised)]

OPR-6—AUTHORITY AND RESPONSIBILITY OF GENERAL AGENTS TO UNDERTAKE TO DECOMMISSION TANKERS TO BE WITHDRAWN FROM OPERATION AND PLACED IN A RESERVE FLEET

OPR-6 [NSA Order No. 66] is hereby revised to read as follows:

Sec.
1. What this order does.
2. General Agents' responsibilities.
3. General Agents' duties.
4. General provisions.

AUTHORITY: Sec. 204, 49 Stat. 1987, as amended; 46 U.S.C. 1114.

Section 1. What this order does.

This order outlines General Agents' responsibilities in connection with the work required for the proper stripping and deactivation of tankers assigned to reserve fleets, whenever advice is received that a ship is to be withdrawn from operation. Generally, this order also defines the nature and extent of the work required to properly prepare a tanker for layup.

Sec. 2. General Agents' responsibilities.

It shall be the responsibility of the general agent to perform the following:

(a) Reduce the ship's personnel to only those necessary to perform or supervise the work involved, as soon as practicable after receipt of instructions to prepare the ship for layup and to remove unnecessary supplies and material from the ship to segregate and hold, deliver, or otherwise dispose of supplies and materials as directed.

(b) Prepare specifications covering deactivation work. The District Office will furnish the general agent with a standard sample specification for guidance, which is to be amended as necessary after the agent has surveyed the vessel to meet conditions existing on each individual vessel.

(c) Properly supervise the work outlined herein and assure that copies of all specifications are furnished to the local Maritime Administration office and to all department heads and ships' officers employed on board during the deactivation period.

(d) Obtain a United States Coast Guard towing permit when required for a vessel which is to be towed.

Sec. 3. General agents' duties

The general agent for the account of the Maritime Administration shall have the following items of work performed prior to delivering the tanker to the reserve fleet:

(a) *Cargo tanks and appurtenances thereto, ventilators and galley smoke stack.* (1) All cargo tanks, cargo pipe lines, pumps, pump rooms, etc. shall be thoroughly stripped, cleaned and gas freed. All cofferdams, steam smothering lines, heating lines and cargo vent lines in their entirety shall be drained, cleaned and gas freed. Remove all loose rust and all scale, exclusive of bonded scale, by means of scrapers, hand tools or other methods exclusive of mechanical scaling or sand blasting, from interior surfaces of all cargo tanks, cofferdams and dry cargo holds including all fittings contained within these spaces, also interior surfaces of all covers. All dogs and hinges on tank covers and ullage openings shall be freed and grease applied to the threads. Dry cargo holds to be thoroughly cleaned, and secured, dogs and hinges to be freed and greased.

(2) All rose boxes and strainers shall be scaled, cleaned and dried. All deck scuppers to be proven clear.

(3) Internal tank valves and reach rods shall be freed up, greased and left in operable condition. Valves shall be opened, then backed off one turn.

(4) After the pertinent spaces and equipment have been cleaned and gas freed, contractor shall obtain an unrestricted gas free certificate and deliver same to Master of the vessel. It shall be the responsibility of the general agent to notify the local Maritime Administration office that the Master has a gas free certificate in force prior to the departure of the ship for the reserve fleet. Gas free certificate is to be turned over by the Master to the fleet superintendent or his representative on arrival of the ship at the fleet.

(5) Ventilators: All ventilator cowls shall be unshipped, neatly stowed and well secured, clear of spare parts and manhole covers, in the shelter deck midships or in the dry cargo hold. Venti-

lator trunks shall be plugged with wood and canvas covered.

(6) Storerooms: All storerooms, deck, engine and stewards, including magazines, are to be swept clean and free of debris.

(7) Smokestack: Close all skylights, doors and hatches to the engine room and fidley. When so directed by Maritime Administration representative, furnish and install cover for stack. Same to be constructed of one-inch tongue and groove kiln dried, pressure-treated boards or equal with proper strengthening on underside, to fit into stack and covered on weather side with substantial waterproof material made watertight. Cover shall be fitted with access hatch about 24 inches square, located over centerline baffle to permit entry of man during stack preservation. Secure cover by means of sufficient wire lashings attached to the stack stays. This item to be completed immediately after the boilers are cleaned.

(b) *Lifeboats and life rafts.* Lifeboats shall be completely stripped of all gear and equipment except tanks, ridge poles, spreaders, rudders, oars and masts. The tanks are to be unfastened but remain in their respective boats. The lifeboats shall be stowed in dry cargo hold. The Maritime Administration local representative may make determinations on ships where lifeboats cannot be stowed below decks that the lifeboats may be warehoused, left on board, or otherwise disposed of. Boats stowed in dry cargo hold shall be properly chocked and secured in an upright position at least two feet inboard of the skin of the ship and six inches off the deck. Boats left on board but not stowed in dry cargo hold shall be secured and covered with suitable wooden covers built over each boat. Worm gears on lifeboat davits shall be thoroughly greased. Wire boat falls on gravity davits and boat winches shall be removed, tagged, greased and stowed in sheltered area. When an unstripped lifeboat is required to be left on board in davits for use of a riding crew accompanying the ship to a reserve fleet, the boat shall be left in either port or starboard after davits. Life rafts shall be removed from the vessel. The boat deck in way of removed boats shall be roped off with wire rope or chain securely fastened to welded flat bar stanchions.

(c) *Lifeboat motors.* If lifeboats are stowed on weather decks, the motors are to be removed from the boats, properly drained, tagged, and stowed in a sealed compartment. The motors on lifeboats which have been stowed below decks are to be drained. The gasoline is to be removed from tanks, after which the system is to be flushed with carbon tetrachloride.

(d) *Accommodation ladders and brow type gangways.* Wooden accommodation ladders and wooden brow type gangways shall be unshipped from present locations, together with all gear, including stanchions, platforms, davits, tackle, etc., and stowed in sheltered area under bridge two feet from the skin of the ship and six inches from the deck.

(e) *Booms and masts.* All booms shall be stripped without burning shackles or fittings, and all gear coiled, tagged and stowed in sheltered area under bridge. All booms shall be lowered into the cradles properly wedged to prevent them from resting on the metal of the cradle and properly wedged under the goosenecks to prevent them from freezing in sockets. Goosenecks are to be coated with preservative compound. All telescopic topmasts shall be lowered and housed. Signal and antenna masts where hinged shall be lowered to the deck and properly secured as directed.

(f) *Radio antenna.* Radio antenna and insulators shall be rigged down, carefully coiled, secured, and stowed in a sealed storeroom.

(g) *Mooring wires and rope hawsers.* A total of eight lengths of wire, each with a six-foot eye, minimum ⅞" diameter, each 250 feet minimum length, shall be coiled and left on deck, four forward and four aft, ready for use at the reserve fleets for mooring. Wire spring lines, topping lifts and purchases may be used. Insurance wires also shall be ready fore and aft. All other wires shall be neatly coiled, tagged, and stowed in the sheltered area under bridge. Rope hawsers and all other manila rope shall be removed from the ship and disposed of as directed by Maritime Administration representative.

(h) *Anchor windlass.* On steam operated windlasses remove section of steam line in way of steam valve and secure same with wire adjacent to windlass. Install flange with 1½" pipe connection for air. Remove exhaust valve completely and secure same with wire adjacent to exhaust line. Blank off sections of steam and exhaust lines going aft. Electric anchor windlasses are to be left ready for service. Exposed moving parts subject to deterioration are to be coated with preservative.

(i) *Sanitary bowls, sinks and wash basins.* All sanitary traps, toilet bowls, sinks and wash basins shall be dried out and trap plugs removed and wired adjacent. All head and washroom doors shall be locked after inspection of the vessel prior to departure for the fleet.

(j) *Narcotics.* All narcotics, including paragoric and morphine syrettes from "Abandon Ship" kits shall be removed and disposed of in accordance with General Services Administration regulations, Section 1–IV–102.00, Disposal of Surplus Narcotics, "Regulation of GSA" Title I, Personal Property Management.

(k) *Subsistence stores.* All subsistence stores, including canned lifeboat rations and water, shall be removed from the ship and disposed of as directed by the local Maritime Administration representative.

(l) *Stripping.* All items constructed of wood, metal, glass, crockery and plastic shall remain aboard, with the exception of valuable equipment such as barometers, clinometers, clocks, binoculars, chronometers, sextants, tachometers, typewriters, adding machines, micrometers, firearms, silverware, etc. These valuable items shall be cleaned, repaired if necessary, properly tagged and packaged to assure against damage in handling, and returned to warehouse. The duty must be paid on all foreign-purchased instruments removed. The following items shall be removed, properly tagged, and disposed of as directed by local U.S. Maritime Administration representative:

(1) All slop chest items, medicines and surgical instruments.

(2) Remove lead-acid batteries only, and dispose of as directed by a Maritime Administration representative. Alkaline type batteries shall remain aboard and be prepared for storage as follows:

(i) Fill each cell with distilled water to the midpoint between top of plate and top of cell container.

(ii) Charge batteries to 1.75 volts per cell. When this voltage is reached continue charge for six hours.

(iii) Check specific gravity of each cell and ascertain that specific gravity is between 1.190 and 1.200. If not, correct to obtain reading within the aforementioned range. Electrolyte level, if low, should be restored to ¾ inch above plates.

(iv) Ensure that battery trays are clean and dry.

(v) Disconnect batteries and tag battery leads.

(vi) Remove inter-connectors to interrupt any stray current circuits. Place connectors and bolts in envelope and store with batteries.

(vii) Cell tops are to be cleaned.

(viii) Check steel cases of cells to ensure they have complete coating of (*a*) Nicadvar bitumastic maintenance coating or (*b*) Gaco neoprene maintenance coating N–700–1.

(ix) Ensure all battery vent caps are closed.

(3) All entertainment radios, lifeboat radios, and lifeboat transmitters.

(4) All electric and pneumatic hand tools, A.C. fans, oxygen-breathing apparatus, fresh air hose mask, flame safety lamp, and other protective equipment.

(5) All cordage, scrap rope, net slings and rope ladders.

(6) All coal and forge coke.

(7) All inflammables, paints, greases and oil in containers, pyrotechnics such as Lyle gunpowder bags, rockets, flares, primers, pilot signals, etc.

(8) All freon, oxygen, hydrogen, and acetylene gas cylinders, and all empty or partially empty drums and carboys shall be removed and returned to the suppliers for credit. All CO_2 cylinders shall remain aboard. Butterworth equipment, if rented, shall be returned to proprietor. If Butterworth equipment is owned by ship, it shall be cleaned, greased with rust preventive compound and stored on board as directed by local Maritime Administration representative.

(9) All deck, engine and steward's consumable stores, except pipe, pipe fittings and plumbing supplies, electrical fittings and supplies, fire brick, hardware, metals, hand tools and packing.

(10) Mattresses and pillows selected for return to warehouse are to be cleaned, renovated and sterilized. Sheets, pillowcases, towels, spreads, coats, curtains and rugs, shall be cleaned or laundered. All items to be packaged by type and properly tagged.

(11) Miscellaneous blocks and other deck equipment shall be neatly stowed on shelves in the bosun's storeroom. Blocks are to be separated from other

equipment to allow preservation without further handling. All gear or equipment shall be removed from mast lockers. Loose equipment shall not be left laying about the decks but shall be neatly stowed in storerooms.

(12) All boiler water-testing equipment and material, including water conditioning compounds.

(13) All canvas, signal flags, bunting, canvas windsails, life jackets, life rings, etc.

(14) Name boards and all electrical naviation lights unless permanently installed, shall be removed from locations and properly stowed. All weather-exposed binnacles and sounding machines to be removed from present locations and stored in sealed storerooms.

(15) Cargo floodlights, searchlights, daytime blinker signal searchlights, debarkation lights, etc., unless permanently installed, are to be removed from present locations and stowed in sealed storerooms.

(16) All sheet metal constructed storage boxes, such as lyle gun box, boat fall boxes, etc., which are exposed to the weather shall be removed from their present locations and stowed in sheltered area under bridge.

(m) *Sealing up rooms.* All items remaining aboard of a pilferable, fragile or delicate nature, such as tools, galley gear, mess gear, and spare parts of small size shall be placed in a storeroom behind a solid metal door. The door shall then be closed and, if a hasp and keeper is not provided, such hasp and keeper shall be installed and door shall be sealed with a numbered metal car seal to the satisfaction of the Maritime Administration representative. Expanded metal lockers shall not be used for the stowage of pilferable material.

(n) *Books, log books, blueprints and navigation books.* Merchant Marine library books shall be removed by the Merchant Marine Library Association. All log books and bell books shall be listed in a covering letter and forwarded to the District Property and Supply Officer, Maritime Administration, 45 Broadway, New York 4, New York. Copies of the covering letter shall in each case be sent to the Chief, Division of Office Services, Office of Property and Supply, Maritime Administration, U.S. Department of Commerce, Washington 25, D.C., and to the cognizant Coast Director who shall check each list to ensure completeness of submissions. Blueprints, instruction books, ship's plans and ship's correspondence shall be properly sorted and stored in metal cabinets located in chief engineer's or master's office. Navigation charts are to remain in chart desk.

(o) *Rented equipment.* Owners of all rented equipment shall be requested to remove all such equipment before the ship departs for the fleet.

(p) *Main radio installation.* Main radio installation—to be serviced and prepared for layup as follows:

(1) Open all switches.

(2) Remove all spare radio tubes, fuses and spare parts, etc., and pack, mark and stow in spare parts box in sealed storeroom.

(3) Inspect equipment for fungus, mold, dampness, verdigris or any other deterioration. Where such conditions exist the affected surfaces are to be carefully dried and cleaned to prevent further damage. All weather deck openings to the radio room shall be closed prior to the start of the deactivating work to prevent moisture from entering.

(q) *Bunker fuel oil.* With the exception of diesel oil which may remain aboard in any quantity, bunker fuel oil must not be on board in excess of 1,000 bbls. or less than 500 bbls. unless otherwise directed by local Maritime Administration representative, and duty must be paid on all oil of foreign origin if removed, but not if transferred to another ship. Whenever possible, remaining fuel oil shall be pumped back to the settling tanks.

(r) *Peloruses and gyro compass repeaters and compasses.* Peloruses and gyro compass repeaters shall be properly disconnected (not cut), tagged, and stored face down, compasses (magnetic and gyro repeaters) shall be removed from binnacles and also stowed upside down; the radar, loran, direction finder, fathometer, and master gyro tubes, fuses, spare parts, shall be collected, tagged, wrapped and stowed in a spare parts box, all of which shall be placed in sealed storeroom. The master gyro compass room, if suitable, may be used.

(s) *Garbage and trash.* All garbage and trash shall be removed and all interior and weather decks to be swept and left clean.

(t) *Keys and ship's documents.* All master keys, including head and washroom keys, shall be tagged and turned over to the fleet representative by the master upon arrival of the ship at the fleet. All other keys shall be tagged and locked in the master's safe. All the ship's documents and papers shall also be delivered by the master to the fleet representative, together with a list of these documents and papers in triplicate. The fleet superintendent will give the master a signed receipt for all papers and keys. The combination of the ship's safe shall be left among the ship's papers.

(u) *Securing the engine room and machinery components.* (1) The propulsion shaft or shafts on all ships shall be secured and locked by using a keeper plate on tailshaft coupling. Plate to be drilled for three coupling bolts and fitted to the coupling flange on topside using original coupling bolts. Keeper plate to be ¾" steel plate properly secured to steel frames by four 1-inch diameter fitted bolts, two on each side. Installation is to permit keeper plate to be removable. In no case shall a jacking gear be left engaged to act as a brake.

(2) Stern glands shall be tightened or repacked to prevent leakage.

(3) For ships going to fleets south of Astoria, Oregon and James River, Virginia, all sea valves are to be tightly closed and valve wheels securely wired to the valve body in a closed position to prevent accidental opening, except that, where blank flanges are installed against the skin valve, valve wheels need not be wired. Leaking sea valves below the light water line must be repaired or blanked off at the skin valve. In all cases where any piping or machinery is disconnected or opened, and the possibility exists that a leaky valve or the opening of a valve would permit access of sea water, all such valves below the light loadline are to be properly blanked off.

For ships going to fleets north of Suisun Bay, California and north of Wilmington, North Carolina, break flanges, furnish and install blank flanges, minimum ⅜" steel plate, in way of all sea valves below light loadline. A ¾" extra heavy nipple is to be fitted and welded in center of blank flanges, and fitted with a cap. These blank flanges are to be tested and proven tight. Extreme care is to be taken in draining the systems so that all piping, fittings, etc. are fully drained.

(4) Specifications and uniform cold weather draining instructions have been prepared for all ships entering Pacific Northwest fleets and fleets north of Hatteras on the East Coast, which will be supplied by local Maritime Administration representatives. Strict compliance is required.

(5) Engine room bilges: Tank tops in engine room, fire room and shaft alley shall be thoroughly cleaned, all debris removed, and bilges left dry. Bilge strainer plates shall be removed and stowed alongside of bilge well.

(6) Open all circuit breakers and switches on the main switchboard. Switches energizing circuits in bad condition shall be tagged accordingly.

(7) The rudder shall be secured in a midship position as directed, to prevent shifting under tow.

(v) *Servicing propulsion machinery for reciprocating, turbine and disesel engines.* (1) Reciprocating main engine cylinders and valve chests: The main engine cylinders and valves are to be drained free of all water and all exposed parts coated lightly with rust preventive compound.

(2) Main engine piston rod and valve stem packing: The metallic packing assembly on each piston rod and valve stem is to be dropped; all boxes, segments, rings and springs are to be cleaned of all carbon or other foreign matter. At completion of cleaning, all boxes, packing segment rings and springs are to be coated with rust preventive compound. The packing assembly parts of each rod and valve stem are to be bundled in heavy oiled paper, tagged and stored in a sealed storeroom. The piston rods and valve stems are to be cleaned and coated with rust preventive compound. The packing box securing studs and nuts are to be coated with rust preventive compound, and all packing boxes replaced with securing nuts at half thread position. On ships going into cold weather fleets, the lower bull's eye on H. P., I. P. and L. P. cylinders are to be drained by lowering the cylinder neck bushings. Tags to be affixed stating that neck bushings are to be replaced as originally positioned upon reactivation of vessel.

(3) Line shaft bearings, guides and thrust: Water service lines are to be disconnected and drained. Connections to

be released at lowest point to assure proper drainage.

(4) Main thrust: The main thrust bearing, when separately housed, shall be drained, cleaned and left dry.

(5) Generators (steam end): Cylinders to be drained through drain valves and valves left open. Piston rods and valve stems to be coated with rust preventive compound.

NOTE: Piston rod and valve stem packing not to be removed.

(6) Generators (electrical end): The commutator brush springs are to be released, the brushes removed and fastened firmly together and wired adjacent to, but clear of, rotating element.

(7) Auxiliary machinery: All steam cylinders and steam valve chests and water ends on all machinery throughout the ship are to be drained after the steam and exhaust lines leading thereto have been dealt with as required elsewhere in this directive. Special attention shall be paid to that portion of these lines between machinery and throttle valves or riser pipes in the immediate vicinity. It is not required that pump heads be raised or that cylinder heads and valve plates be removed or loosened to provide full drainage. Removal of plugs or drain valves during air blowing will suffice. Probe drainage opening with wire where no evidence of condensate can be seen. All exposed working parts are to be covered with rust preventive compound.

NOTE: Valve stem, piston rod and shaft sleeve packing need not be removed.

(8) Main boilers: The water side of all boilers shall be thoroughly flushed and cleaned of all loose scale, mud and other foreign material. This shall incude economizers, superheaters and water walls. After cleaning, all parts shall be thoroughly drained. One manhole plate on steam drum and one handhole plate in each end of each boiler removed. Handhole plates are to be secured by wire to a stud adjacent to its respective location. Boiler casing doors shall be removed and stowed adjacent to respective boilers. Burners and tips shall be removed and stowed in engine room storeroom. Fire side of all boilers shall be thoroughly cleaned, including fire sides of generating tubes, air heaters, stack, uptakes and superheaters. All debris and foreign matter shall be removed ashore.

Under no circumstances shall water or steam be used in cleaning the fire side of any boiler, economizer, superheater or water wall. Boiler room area shall be swept and left in a clean, orderly condition.

(9) Main air pump and attached pump: The main air pump and attached ram pumps are to be drained of all water by slacking back on inspection plate openings and removal of drain plugs where necessary. At completion of draining all removals made for this purpose are to be left open and drain plugs wired adjacent to openings.

(10) Main condenser, auxiliary condenser, freon condenser and distiller: All condensers and distillers are to be drained on the steam, liquid and salt water side, except freon side of reefer condenser, by the removal of drain plugs or breaking of joints where drain plugs are non-existent. Whatever method of drainage is employed, all removals are to be replaced as before with no outlets from the condensers left open.

(11) Steam, exhaust and water lines: All steam, exhaust and water lines throughout the vessel, including tank heating coils are to be opened at the lowest points and extremities, by the removal of drain plugs, valve bonnets, or other suitable means, and blow out by compressed air all water or condensation from such lines. At completion of draining all removals made for this purpose are to be left open and drain plugs wired adjacent to openings.

Insulation blankets shall be removed from throttle and stop valves and flanged connections on boilers and large steam lines. Those found in good condition shall be tagged and stowed in a sealed storeroom.

(12) Evaporator: The evaporator is to be opened up, scaled, cleaned and drained. The cover studs and nuts are to be coated with rust preventive compound and the cover replaced slightly ajar to ensure circulation of air into the shell. All nuts are to be replaced hand tight on the studs.

(13) Feed water heater: The feed water heater is to be opened up, cleaned and drained. The cover studs and nuts are to be coated with rust preventive compound, cover replaced slightly ajar, and nuts placed on studs hand tight.

(14) Filter box and inspection tank: The filter box and inspection tank are to be drained and the drain plugs wired adjacent to openings.

(15) Steam traps and manifolds: All steam traps and manifolds are to be drained and the adjacent lines are also to be drained. At completion of draining, all removals made for the purpose are to be left open, and drain plugs wired adjacent to openings.

(16) Grease extractors: All grease extractors shall be cleaned and drained and loofa sponges and similar purpose material removed and disposed of off the ship.

(17) Steam, exhaust and liquid valves: All manifold and other valves throughout the vessel, including boiler valves and machinery operating valves, which do not affect seaworthiness, are to be left with the valve disc raised off the seat.

(18) Reducing valves: All reducing valves are to be drained and all removals made for this purpose are to be left open and drain plugs wired adjacent to openings.

(19) Main throttle valves: The main throttle valve is to be thoroughly drained and the drain plugs are to be left out and wired adjacent to valve.

(20) Freon refrigeration system: The freon refrigeration system shall be charged to full capacity of gas, after which the system is to be blanked off in such manner as to ensure that full charge is maintained. The condenser to be thoroughly drained.

(21) Tools: All tools of every description except those otherwise specified for removal are to be cleaned, coated with rust preventive compound, and placed in the storerooms. The doors leading to each storeroom are to be closed and sealed. Storerooms to be assigned by USMA Surveyor.

(22) Main and all auxiliary turbine units: Thoroughly drain all main and all auxiliary turbine units and their connections of all water and moisture by the removal of drain plugs and drain valve bonnets, or breaking of joints. At conclusion of draining, all openings made for the purpose of draining are to be left open. Drain plugs to be wired adjacent to openings.

NOTE: Main and auxiliary turbine shafting and packing assemblies are to remain intact.

(23) Main and auxiliary turbines—lubricating oil systems and sumps: Transfer all lubricating oil from each sump tank, both main sump and all auxiliary sumps to a reserve tank, after which open up and throughly clean all sumps and close up as before. Drop sufficient clean lubricating oil to each sump tank, after which circulate clean oil through each respective lubricating oil system. While the lubricating oil is being circulated, each turbine unit, both main and auxiliary, is to be jacked over five (5) complete revolutions to ensure that clean oil has circulated through each bearing and gear of the respective units. At completion of jacking and oil circulating, the oil in the various sump tanks is to be pumped back to the reserve tanks and all sumps left empty.

(24) Turbine driven feed pump: Drain all liquid from the lubricating oil sump tank. Open up and thoroughly clean, after which close up as before. Flush all bearings with clean lubricating oil.

(25) Motors—deck winches, capstans and steering gear: The commutator brush springs are to be released and the carbon brushes removed, wired and stored in controller boxes adjacent to motors. Take insulation resistance readings of all generators and motors on vessel except those of fractional horsepower. The results of those readings shall be included in the condition survey. On exposed motors all defective inspection plate gaskets are to be renewed to ensure that each motor is watertight.

(26) Deck winch & capstan controller boxes and master switches: Remove the covers from each controller box and master switch box of each deck winch and capstan, dry out any moisture and close up in watertight condition. Any and all defective gaskets are to be renewed to ensure that each box is watertight.

(27) Diesel auxiliary generator: Thoroughly drain all liquids from the water jacket, heat exchangers, lubricating oil system and sump. Thoroughly clean the sump tank and close up as before. By use of hand pump, flush the entire lubricating oil system with clean lubricating oil and, during the flushing operation, jack the engine over five (5) revolutions to ensure that all bearings are well coated. At the conclusion of this operation, remove the oil from the sump and leave the system closed up and intact.

(28) Steam boilers (heating): Flush down the water sides with fresh water, after which thoroughly drain off all

water. Remove one (1) manhole plate and one (1) handhole plate if such exists and secure the removed plates adjacent to their respective locations with wire. Thoroughly clean the fire sides including the uptakes and stack, and remove all debris ashore.

NOTE: Neither steam nor water shall be used for cleaning fire sides of boiler.

(29) Heat exchangers, oil coolers and distiller: All heat exchangers, including lube oil coolers and the distiller, with the exception of the fuel oil heaters, are to be drained on the steam, liquid and salt water sides by the removal of drain plugs or breaking of joints where plugs are nonexistent. At the completion of draining, all removals made for this purpose are to be left open, plainly marked, and drain plugs wired adjacent to openings.

(30) Diesel main engine and generators: Remove all oil from the crank cases and sumps of main engine and generators by pumping such oil into the settling tank. Thoroughly clean the sump tanks and all crank cases, and close up as before. Fill each sump tank with sufficient clean lubricating oil to circulate the lubricating systems of each engine. Circulate the clean lubricating oil through each system under pressure and, while the oil is being circulated, each engine is to be jacked over five (5) complete revolutions. At the conclusion of this operation the clean oil left in the sump tanks is to be pumped back to the reserve tanks. The daily service fuel oil tank is to be pumped out dry, tank thoroughly cleaned, and closed up as before. The water jackets of main engine and for auxiliaries are to be thoroughly drained and all openings made for draining are to remain open. Open up and clean the exhaust manifolds and exhaust stack including silencer, which also shall remain open. Remove all debris ashore.

(31) Lubricating oil and fuel oil centrifuges: Open up and thoroughly clean the centrifuges of the lubricating oil and fuel oil systems, sediment drain tanks to be opened, thoroughly cleaned, and left open upon completion.

(w) *Steering engine gears and steering engine room.* All rods and gears of the steering engine are to be coated with rust preventive compound and steering engine room is to be broom-cleaned and left in an orderly condition. Any and all resultant debris to be removed ashore.

(x) *Inventory.* Inventory shall be effected in accordance with instructions issued by the local Maritime Administration office.

(y) *Certificates of inspection, registry, enrollment, and radio license.* Ship's Certificate of Inspection shall be turned in to the United States Coast Guard, and the Ship's Radio License shall be sent to the Federal Communications Commission, Washington 25, D.C. The general agent shall deposit the Certificate of Registry or enrollment in the office of Collector of Customs of the District in the area where the ship is to be laid up, and noted on the Certificate of Redelivery, Form No. MA2–104, the place and date of deposit of either or both certificates if used.

(z) *Property transfer notice.* Material removed to another Maritime Administration activity shall be covered by Property Transfer Notice, in accordance with Management Order No. 538. Property Transfer Notices must accompany all material to a U.S. Maritime Administration warehouse. All other material removed for disposition must be covered by listing, as directed by local Maritime Administration office.

(aa) *Drydocking.* Drydocking will be required when records indicate underwater repairs are necessary, or that period since last drydocking was greater than six (6) months. When drydocking is required the following items of work shall be accomplished:

(1) Anchor chains: While vessel is on drydock, range both chains and wash off clean; drain and clean chain locker and hand pump system. Chains and chain locker to be coated with metal conditioning compound, and at completion restow chains in lockers.

(2) Peak tanks, void tanks and double bottom fresh water tanks: While vessel is on drydock remove bleeder plugs and flush out to remove mud and muck. Upon completion replace plugs as before.

(3) Stern gland: The stern gland is to be completely repacked with approved packing.

(4) Hull cleaning and painting: Sandblast to bare metal a 4-foot band all around from 2 feet above to 2 feet below flotation line. Apply one coat of vinyl wash primer and two coats of anti-corrosive paint to bare surfaces.

(bb) *Condition surveys.* A condition survey shall be prepared reflecting the condition of all parts of the vessel, its equipment and appurtenances, such survey to be effected jointly by representatives of the Division of Ship Repair and Maintenance, the Division of Operations, and the general agent. In preparing condition survey, items requiring corrective action contained in repair lists, American Bureau of Shipping reports, notes of protest, or U.S. Coast Guard citations, are to be included and specifically referred to. Wherever possible, estimated costs for corrective repairs are to be shown. There should also be included in survey report special structural information involving type, volume and location of ballast, booms, gyro compasses, radar, and other-specific installations that would provide valuable information in determining condition of vessel for withdrawal preference. Copies of condition survey are to be distributed in accordance with existing procedures, similar to redelivery surveys effected on vessels from BBC operation. When condition surveys disclose safety hazards such as defective ladders, handrails, etc., or where items of work are required to prevent deterioration in reserve fleet, they shall be repaired prior to sending the ship to the fleet.

(cc) *Ballast.* Liquid ballast not essential for stability purposes shall be removed unless otherwise directed.

(dd) *Electrical receptacles.* All weather-exposed electrical receptacles are to be closed to prevent leakage. Missing caps and vapor globes are to be replaced on weather decks.

(ee) *Fore peak tank, after peak tank, #1 and #2 deep tanks—port and starboard—and void tanks.* These tanks are to be opened, drained and all covers are to be replaced watertight.

(ff) *Fresh water double bottom tanks.* Prior to delivery to fleet, the fresh water double bottom tanks are to be pressed up with fresh water.

(gg) *Domestic fresh water tanks and service water tanks.* Domestic tanks and all hot and cold water service tanks throughout the vessel are to be drained by removing drain plugs, removing valve bonnets, or breaking joints. At completion of draining, all removed or disturbed parts are to be left open and plainly marked. Drain plugs shall be wired adjacent to openings.

(hh) *Cleanliness of quarters.* Drawers and lockers shall be thoroughly cleaned and no equipment shall be left in quarters unless otherwise specified in these instructions. Rooms shall be stripped of all linen, wearing apparel or other articles. Rooms shall be swept clean and doors left unlocked. All staterooms, galleys, messrooms, refrigerated spaces, shall be stripped and cleaned. Portholes shall be dogged and chartroom windows securely closed. Food: Food shall not be left in refrigerators, messrooms, or storerooms, and those spaces shall be thoroughly cleaned. Reefer spaces shall be thoroughly cleaned and the gratings stowed on end and the doors secured in an open position. No food shall be left on board by riding crews. Galley stoves shall be disconnected and moved out approximately 2 feet from bulkhead in order to expose all areas for preservation. Canopies, fans and air ducts above the galley range shall be thoroughly cleaned of all grease, ash, carbon, etc., and made ready for preservation. Burner furnace and range to be cleaned. Galley stack to be cropped approximately four feet above deck and trunk plugged with wood and canvas covered. Stack shall be stowed in sheltered area midships.

(ii) *CO_2 controls.* Master CO_2 controls shall be disconnected, all CO_2 bottle stop valves tightly closed, and CO_2 rooms shall be locked. These requirements must be strictly observed.

(jj) *Fire fighting equipment.* All portable fire extinguishers shall be removed except CO_2 extinguishers, which shall be left in place aboard ship. All fire fighting hoses shall be removed from vessel and disposed of as directed. The semi-portable foamite fire extinguishers in engine room shall be emptied, cleaned, and loosely re-assembled.

(kk) *Riding crews.* (1) Unvented oil stoves for heating quarters shall not be furnished riding crews for ships under tow.

(2) The riding master shall at all times maintain full control over the riding crew. Upon the arrival of the ship at the reserve fleet, fleet officers will inspect the ship along with the riding master to determine that satisfactory conditions exist relative to sanitation, security and safety.

(3) The riding master shall receive from the fleet representative a receipt upon delivery of the keys and ship documents after the joint inspection. A sample format is set forth below as Exhibit "A".

(ll) *Limiting drafts.* It shall be the responsibility of the agent delivering the ship to reduce the draft to the minimum practical for the type. In any case the draft shall not be in excess of the draft limit allowable for the fleet site to which the ship has been ordered. The draft limits for the various reserve fleet sites are as follows:

	Feet
Hudson River	25
James River	24
Wilmington, N.C	16
Mobile, Ala	15½
Beaumont, Tex	16
Suisun Bay, Calif	18
Astoria, Oreg	24
Olympia, Wash	25

The foregoing are maximum drafts and not mean drafts. If a ship's draft when ready for delivery to a fleet site exceeds the maximum draft listed for that site, the master shall immediately contact the local Maritime Administration office for further instructions.

(mm) *Greases and preservatives.* Where this order requires preservatives to be used, they shall comply with the following specifications:

Compound, Rust Preventive, Type B, Medium Grade, USMC Specification No. 52-MC-602A.

Compound, Metal Conditioning, Spec. No. MIL-M-15205a.

(nn) *Navigational equipment for towing.* In order that the vessels will comply with all regulatory requirements of the U.S. Coast Guard and rules of the road while being towed to a reserve fleet, the following items of equipment are required to be on board. They have been assembled in the form of a "kit" which is available from the local Maritime Administration office.

1 Red Side Light (Kerosene).
1 Green Side Light (Kerosene).
1 Fixed Stern Light (Kerosene).
2 Anchor Lights (Kerosene) 360°/3 mi. White Light.
2 "Not Under Command" Lights, Red (Kerosene) with 6-foot tack line on each.
3 Black Balls (2-feet diameter) with 6-foot tack line on each.
1 Ea. International Code Flags M&C.
1 Signal Pistol with 12 Red Parachute Flares in Watertight Container.
1 Hand-Operated Fog Horn.
1 Ship's Bell Forward.
1 Fog Gong Aft.
1 Pilot Ladder, 40 feet (chain and aluminum construction).
1 Supply of Kerosene in Can.
1 Life Jacket per member of riding crew, plus twenty-five percent spares.
In addition, the following halyards shall be left in place:
Bridge—For "Not Under Command" Lights, Ship's, and International Code Flags.
Forward—For Anchor Ball and Light, not less than 20-feet above the deck.
Aft—For Anchor Light, not less than 15-feet lower than forward anchor light or other accessible device for suspending the light.

Upon delivery of the vessel to the reserve fleet this equipment is to be turned over to the Fleet Superintendent for his disposal.

(oo) *Tags.* Whenever tagging is mentioned throughout this order, tags supplied shall be of non-ferrous metal or plastic, impervious to oil, water and weather.

Sec. 4. General provisions.

(a) The General Agent's Completion Report shall be filled out and signed by a responsible member of the general agent's operating department, preferably the master of the ship, and given to the fleet representative of the fleet to which the ship is delivered. A copy of this report shall be forwarded to the local Maritime Administration office, where the ship was prepared for layup. A sample format is set forth below as Exhibit "B".

(b) A "Cost of Preparation for Layup Report" shall be filled out in triplicate and two copies forwarded to the National Shipping Authority, Chief, Division of Operations, Washington 25, D.C., and one copy forwarded to the respective Coast Director, as soon as possible after delivery of the ship to the fleet site. A sample format is set forth below as Exhibit "C".

(c) Detailed instructions will be issued by the local Maritime Administration representative wherever mentioned in the foregoing.

(d) Copies of all layup specifications are to be made available to the Maritime Administration office for screening and approval before submitting to contractors. Before awards are made, the local office representative must review and approve the award. General Agents will make the award designated by the local office. Copies of all bid tenders to be made available to the local office.

(e) An authorized Certificate of Redelivery furnished by the NSA shall be processed and filled out by the respective Coast Director and forwarded to the General Agent for execution and return. Five copies of the executed certificate shall be forwarded by the Coast Director to the National Shipping Authority, Chief, Division of Operations, Washington 25, D. C.

The disposition of the ship's marine documents (Certificate of Registry or Enrollment or Temporary Enrollment if used) shall be stated on the Certificate of Redelivery showing place and date of deposit.

Approved: February 9, 1959.

[SEAL] WALTER C. FORD,
Deputy Maritime Administrator.

EXHIBIT A

U.S. DEPARTMENT OF COMMERCE

MARITIME ADMINISTRATION

NATIONAL SHIPPING AUTHORITY

Ship Condition Receipt

Date _____

To: _____, General Agent of the SS _____.

This will certify That the subject ship arrived at _____ _____ at the (Time) (Date) _____ Fleet and was found to conform with the acceptance requirements, except as noted below.

1. Stability and watertight integrity
2. Cleanliness and sanitation
3. Storerooms
4. Inventory of ship's documents
5. Keys
6. Remarks:

_____
Fleet Superintendent

cc: Local Maritime Administration office where ship prepared for layup, Coast Director

EXHIBIT B

U.S. DEPARTMENT OF COMMERCE

MARITIME ADMINISTRATION

NATIONAL SHIPPING AUTHORITY

General Agent's Completion Report

Date _____
SS or MS _____
General Agent _____
Prepared for layup at _____
Delivered to Reserve Fleet at _____
Date of delivery _____

The above ship was prepared for layup in full accordance with USMA, NSA Order No. _____ (OPR-_____)

Signed _____
Title _____

EXHIBIT C

U.S. DEPARTMENT OF COMMERCE

MARITIME ADMINISTRATION

NATIONAL SHIPPING AUTHORITY

Cost of Preparing for Layup and Stripping

Name of ship _____ Operator _____
Date ordered to prepare for layup _____ Port _____
Date commenced preparations for layup _____ Finished _____
Date departed for RF _____ Date entered RF _____
Was preparation done by contractor or crew? _____
Name of contractor _____
Expenses incurred from time delivered under GAA for layup to time delivered to RF:

Ship Expenses (Itemize) and Cost of Other Preparation Work—Stripping, Trucking, Etc. (Itemize)

Wages of crew (exclusive of riding crew)			
Subsistence			
Lodgings			
Consumable stores			
Fuel consumed			
Wharfage			
Pilotage			
Night watchman (guards)			
GAA fees			
Other misc. expenses			
Duty on foreign-purchased equipment			
Cost of harbor tugs—Shifting ship (itemize)			

Cost of local towage to fleet	
Cost of deep sea towage	
Handling lines	
Riding crew expenses:	
Wages	
Subsistence	
Transportation	
Total	

Summary of Expenses

Ship expenses	
Contractor's costs for preparing vessel for layup	
Cost incidental to cleaning ship, packaging and removal of ship material	
Cost of tugs	
Handling lines	
Riding crew expenses	
Grand total	

NOTE: Name of *Ship* and *Operator* must appear on each sheet.

[F.R. Doc. 59-1399; Filed, Feb. 16, 1959; 8:48 a.m.]

Title 33—NAVIGATION AND NAVIGABLE WATERS

Chapter II—Corps of Engineers, Department of the Army

PART 207—NAVIGATION REGULATIONS

Pacific Ocean, California

Pursuant to the provisions of section 7 of the River and Harbor Act of August 8, 1917 (40 Stat. 266; 33 U.S.C. 1), § 207.613a is hereby prescribed to govern the use and navigation of a restricted area in the Pacific Ocean, at the U.S. Marine Corps Base, Camp Pendleton, California, for the protection of military wave-recording equipment and electronic underwater cables attached thereto, as follows:

§ 207.613a Pacific Ocean, U.S. Marine Corps Base, Camp Pendleton, California; restricted area.

(a) *The area.* Beginning at the shoreline north of the boat basin, latitude 33°13'10", longitude 117°24'19"; thence westward to latitude 33°12'48", longitude 117°24'56"; thence southward to latitude 33°12'32", longitude 117°24'44"; thence eastward to latitude 33°12'47", longitude 117°24'17" (a point on the breakwater); thence northeastward along breakwater to latitude 33°12'58", longitude 117°24'09"; thence northward along shoreline to point of beginning.

(b) *The regulations.* (1) No vessels shall anchor within the restricted area at any time.

(2) Dredging, dragging, seining, fishing operations, and other activities, which might foul underwater installations within the restricted area, are prohibited.

(3) All vessels entering the restricted area shall proceed across the area by the most direct route and without unnecessary delay.

(4) The regulations in this section shall be enforced by the Commanding General, U.S. Marine Corps Base, Camp Pendleton, California, and such agencies as he may designate.

[Regs., January 30, 1959, 800.21 (Pacific Ocean, Calif.)—ENGWO] (Sec. 7, 40 Stat. 266; 33 U.S.C. 1)

R. V. LEE,
Major General, U.S. Army,
The Adjutant General.

[F.R. Doc. 59-1369; Filed, Feb. 16, 1959; 8:45 a.m.]

Title 43—PUBLIC LANDS: INTERIOR

Chapter I—Bureau of Land Management, Department of the Interior

APPENDIX—PUBLIC LAND ORDERS

[Public Land Order 1790]

[BLM 034316 (SD)]

SOUTH DAKOTA

Partially Revoking Public Land Order No. 1446 of July 18, 1957, Which Reserved Lands Within Black Hills National Forest for Use of Forest Service as Pactola Administrative Site

By virtue of the authority vested in the President by the Act of June 4, 1897 (30 Stat. 34, 36; 16 U.S.C. 473) and otherwise, and pursuant to Executive Order No. 10355 of May 26, 1952, it is ordered as follows:

1. Public Land Order No. 1446 of July 18, 1957, which reserved lands within the Black Hills National Forest for use of the Forest Service, Department of Agriculture, as the Pactola Administrative Site, is hereby revoked so far as it affects the following-described lands:

BLACK HILLS MERIDIAN

T. 2 N., R. 5 E.,
Sec. 25, NW¼NW¼, E½SW¼NW¼, E½NW¼SW¼, and NE¼SW¼SW¼;
Sec. 26, N½NE¼, SW¼NE¼, N½SE¼NE¼, SW¼SE¼NE¼, NW¼SE¼, and W½NE¼SE¼.

The areas described aggregate 300 acres.

2. The lands are within the Black Hills National Forest and shall be opened, subject to valid existing rights and the requirements of applicable law, to such applications, selections, and locations as are permitted on national forest lands effective at 10:00 a.m., on March 19, 1959.

ROGER ERNST,
Assistant Secretary of the Interior.

FEBRUARY 11, 1959.

[F.R. Doc. 59-1379; Filed, Feb. 16, 1959; 8:46 a.m.]

Title 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

PART 16—LAND TRANSPORTATION RADIO SERVICES

Miscellaneous Amendments

The Commission's order adopted January 30, 1959, in the above-entitled matter (published in the FEDERAL REGISTER February 6, 1959, at page 901) is corrected to change "Airways Communication Station" to "Air Traffic Communications Station" in Items 2 and 3, and to change the instructions in Item 3. As corrected, Items 2 and 3 read as follows:

2. Amend paragraph (b) of § 16.158 to read as follows:

(b) Any observed or otherwise known failure of a code or rotating beacon light or top light not corrected within thirty minutes, regardless of the cause of failure, shall be reported immediately by telephone or telegraph to the nearest Air Traffic Communications Station or office of the Federal Aviation Agency. Further notification by telephone or telegraph shall be given immediately upon resumption of the required illumination.

3. Amend § 16.160(e)(3) (iv) and (v) to read as follows:

(iv) Identification of the Air Traffic Communications Station (or office of the Federal Aviation Agency) notified of the failure of any code or rotating beacon light not corrected within thirty minutes, and the date and time such notice was given.

(v) Date and time notice was given to the Air Traffic Communications Station (or office of the Federal Aviation Agency) that the required illumination was resumed.

(Sec. 4, 48 Stat. 1066, as amended; 47 U.S.C. 154)

Released: February 10, 1959.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 59-1408; Filed, Feb. 16, 1959; 8:49 a.m.]

PROPOSED RULE MAKING

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

[25 CFR Part 163]

INDIAN RESERVATIONS

Roadless and Wild Areas

Basis and purpose. Notice is hereby given that pursuant to the authority vested in the Secretary of the Interior by section 463 of the Revised Statutes (25 U.S.C. 2), it is proposed to amend 25 CFR 163 as set forth below. The purpose of this amendment is to exclude the 2,935,000 acres on the Navajo Reservation known as the Painted Desert, Rainbow Bridge and Black Mesa Areas from the list of roadless areas heretofore set forth in § 163.1 so as to facilitate the economic development of the area.

This proposed amendment relates to matters which are exempt from the rule making requirements of the Administrative Procedure Act (5 U.S.C. 1003); however, it is the policy of the Department of the Interior that, whenever practicable, the rule making requirements be observed voluntarily. Accordingly, interested persons may submit written comments, suggestions, or objections with respect to the proposed amendment to the Bureau of Indian Affairs, Washington 25, D.C., within thirty days of the date of publication of this notice in the FEDERAL REGISTER.

ROGER ERNST,
Assistant Secretary of the Interior.

FEBRUARY 11, 1959.

Section 163.1 of Part 163 is amended to read as follows:

§ 163.1 Roadless areas.

A roadless area for the purpose of this part is one which contains no provision for the passage of motorized transportation and which is at least 100,000 acres in forested country or at least 500,000 acres in non-forested country. The following are established as roadless areas on Indian reservations:

Name of area	Reservation	Approximate acreage
Wind River Mountains	Shoshone	220,000
Columbia-San Poil Divide	Colville	155,000
Mt. Thomas	Ft. Apache	130,000
Mission Range	Flathead	125,000
Mesa Verde	Consolidated Ute	115,000
Goat Rocks	Yakima	105,000

The boundaries of these areas are described in the appendix to this part.[1]

[F.R. Doc. 59-1378; Filed, Feb. 16, 1959; 8:46 a.m.]

[1] The appendix to this part is not codified. It appears, however, at 3 F.R. 709-711, Mar. 22, 1938.

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 984]

WALNUTS GROWN IN CALIFORNIA, OREGON, AND WASHINGTON

Proposed Revision of Control Percentages for 1958–59 Marketing Year

Notice is hereby given that the Secretary is considering revision of certain control percentages, as hereinafter set forth, applicable during the marketing year which began August 1, 1958, to walnuts grown in California, Oregon, and Washington. Such action would be based on recommendations of the Walnut Control Board and other available information in accordance with the applicable provisions of Marketing Agreement No. 105, as amended, and Order No. 84, as amended, regulating the handling of walnuts grown in California, Oregon, and Washington (7 CFR Part 984), effective under the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.).

Consideration will be given to data, views, or arguments pertaining thereto which are filed with the Director, Fruit and Vegetable Division, Agricultural Marketing Service, United States Department of Agriculture, Washington 25, D.C., not later than fifteen days after publication of this notice in the FEDERAL REGISTER.

At a meeting on January 16, 1959, the Control Board revised its estimates of walnut supply and demand upon which its recommendations for control percentages for the 1958–59 marketing year were based, and upon the basis of the revision of certain of these estimates recommended that the control percentages initially established for the 1958–59 marketing year on November 5, 1958 (23 F.R. 8621), be changed by reducing the surplus percentage for District 2 to one-half that of District 1 and by making conforming changes in the complementary marketable percentage and in the computed diversion percentage. Following are the revisions made by the Control Board in its estimates of 1958–59 walnut supply and demand:

(1) Orchard-run production, from 170 million pounds to 177 million pounds (District 1, from 156 million pounds to 164 million pounds, and District 2 from 14 million pounds to 13 million pounds);

(2) Merchantable unshelled production from 113.0 million pounds to 119.0 million pounds (District 1 from 106.1 million pounds to 112.3 million pounds, and District 2 from 6.9 million pounds to 6.7 million pounds);

(3) Total merchantable unshelled walnut supply subject to regulation in the 1958–59 marketing year from 122.3 million pounds to 127.3 million pounds; and

(4) Trade demand for merchantable unshelled walnuts from 70 million pounds to 60 million pounds.

These revised estimates are based on actual volumes of walnuts harvested and handled as reported to the Control Board, and are considered accurate measures of expected results for the marketing year ending July 31, 1959. As a result of these revisions, the following additional revisions in earlier estimates are indicated:

(1) Total merchantable production (kernel weight basis) of both unshelled and shelled walnuts from 68.5 million pounds to 70.6 million pounds; and

(2) Total trade and carryover requirements (kernel weight basis) for both unshelled and shelled walnuts from 61.3 million pounds to 58.6 million pounds.

The increased supply of walnuts now estimated for the 1958–59 marketing year does not provide any economic basis for reducing the surplus percentages established for the year as provided in § 984.82(a). However, the revised estimates of the crop now indicate the relative total production of District 2 to be 7.34 percent of the total production of the entire production area, compared to 8.24 percent estimated earlier, and §§ 984.82(b) and 984.53(b) provide that in such an instance appropriate adjustment should be made in the surplus percentages between the two districts, giving reasonable effect to the degree to which the orchard-run production of each district during the marketing year will vary from the normal relative total production of that district and other relevant factors.

The Control Board presented the following additional factors in support of its recommendation for reducing the surplus percentage for District 2 to one-half that for District 1: (1) Yields of walnuts in District 2 averaged less than one-half those in District 1 during the period 1953–57; (2) a higher proportion of the crop in District 2 is shelled, resulting in a lower price return for the crop than in District 1; (3) the lower yields and lower price returns in District 2 result in substantially lower returns to District 2 growers; and (4) growers in District 2 have not yet fully recovered from severe freeze damage suffered in 1955.

However, the following facts apply to the 1958 crop: (1) The latest official estimates of returns to growers from the 1958 crop show that District 2 growers received ten dollars per ton more than District 1 growers; (2) walnut harvest in District 2 was completed about three weeks earlier than normal, thus enabling District 2 handlers to participate fully in inshell markets during the current season; and (3) the 1958 walnut crop is the largest of record, reflecting near-record yields in the respective districts.

In view of the foregoing, the marketable, surplus, and diversion percentages for District 2 as set forth in § 984.210

Control percentages for walnuts during the marketing year beginning August 1, 1958 (23 F.R. 8621), are proposed to be revised to read as follows:

DISTRICT 2

	Percent
Marketable percentage	92
Surplus percentage	8
Diversion percentage	8.7

Dated: February 10, 1959.

[SEAL] S. R. SMITH,
Director,
Fruit and Vegetable Division.

[F.R. Doc. 59-1395; Filed, Feb. 16, 1959; 8:47 a.m.]

Agricultural Research Service

[9 CFR Part 94]

CERTAIN DISEASES INCLUDING RINDERPEST AND FOOT-AND-MOUTH DISEASE

Notice of Proposed Rule Making

Notice of proposed determination of nonexistence of rinderpest and foot-and-mouth disease in the Channel Islands and of proposed amendment of regulations imposing prohibitions and restrictions on importation of specified animals and animal products on account of certain diseases.

Notice is hereby given in accordance with section 4 of the Administrative Procedure Act (5 U.S.C. 1003) that, pursuant to the provisions of section 306 of the Tariff Act of 1930, as amended (19 U.S.C. 1306; Pub. Law 85-867), and section 2 of the Act of February 2, 1903, as amended (21 U.S.C., Supp. V, 111), it is proposed to determine, and to give notice of such determination, that neither rinderpest nor foot-and-mouth disease now exists in the Channel Islands, and to amend the regulations in 9 CFR Part 94, as amended, imposing prohibitions and restrictions on the importation of specified animals and animal products on account of rinderpest and foot-and-mouth disease and certain other diseases, as follows:

In § 94.1(a)(4) in the exception, insert the words "the Channel Islands," after the word "Australia" and before the word "Greenland".

Any person who wishes to submit written data, views, or arguments concerning the proposed determination and amendment may do so by filing them with the Director, Animal Inspection and Quarantine Division, Agricultural Research Service, United States Department of Agriculture, Washington 25, D.C., within 30 days after publication hereof in the FEDERAL REGISTER.

Done at Washington, D.C., this 11th day of February 1959.

[SEAL] M. R. CLARKSON,
Acting Administrator,
Agricultural Research Service.

[F.R. Doc. 59-1396; Filed, Feb. 16, 1959; 8:48 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Part 3]

[Docket No. 12746; FCC 59-111]

PROHIBITION OF CERTAIN TELEVISION STATIONS FROM BEING REPRESENTED IN NATIONAL SPOT SALES

Order Extending Time for Filing Comments

In the matter of amendment of § 3.658 of the Commission's rules and regulations to prohibit television stations, other than those licensed to an organization which operates a television network, from being represented in national spot sales by an organization which also operates a television network; Docket No. 12746.

1. The Commission has before it for consideration a petition of the Columbia Broadcasting System, Inc., filed on February 10, 1959, requesting an extension of time from February 28, 1959, to April 27, 1959, for the filing of comments in the above-entitled proceeding.

2. In support of its request, petitioner states that the presentation of the Columbia Broadcasting System (CBS) on this subject during the public hearing in Docket No. 12285 was necessarily limited in scope since the parties participating in the hearing had to address themselves to all of the findings and conclusions of the Network Study Staff's Report during a brief period of time. Petitioner further states that the 30 days allowed in the Notice of Proposed Rule Making for filing comments are insufficient for the parties vitally affected to prepare evidence relating to the origin and nature of national spot representation by network organizations and the effect of this representation on the networks and on represented stations. Petitioner urges that more time is required for the preparation of evidence with respect to the need and desirability of a similar rule barring national spot representation of stations in the radio field by organizations engaged in radio networking, since this matter was not covered in the Network Study Staff's Report and the hearing on this subject in Docket 9080 was concluded a decade ago. CBS states that it is authorized by counsel for Station Representatives Association, Inc., to state that he does not object to a grant of a 60-day extension.

3. The Commission believes that good cause for an extension of time for filing comments in this proceeding has been established and that an extension will serve the public interest, convenience and necessity.

4. In view of the foregoing: *It is ordered,* That the subject petition of Columbia Broadcasting System, Inc., is granted and that the time for filing comments in the above-entitled proceeding is extended from February 28, 1959, to April 27, 1959, with reply comments to be filed within 15 days from the last date for filing original comments.

Adopted: February 11, 1959.

Released: February 12, 1959.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 59-1409; Filed, Feb. 16, 1959; 8:49 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[21 CFR Part 25]

FRENCH DRESSING AND SALAD DRESSING

Notice of Proposal to Amend Standards of Identity

Notice is hereby given that a petition has been filed by the Dow Chemical Company, Midland, Michigan, a manufacturer of methylcellulose, setting forth proposed amendments to the regulations fixing and establishing standards of identity for french dressing and for salad dressing (21 CFR 25.2 and 25.3).

Pursuant to the authority of the Federal Food, Drug, and Cosmetic Act (secs. 401, 701, 52 Stat. 1046, 1055, as amended 70 Stat. 919; 21 U.S.C. 341, 371) and in accordance with the authority delegated to the Commissioner of Food and Drugs by the Secretary of Health, Education, and Welfare (23 F.R. 9500), all interested persons are hereby invited to present their views in writing regarding the proposals published below. Such views and comments should be submitted in quintuplicate, addressed to the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, Health, Education, and Welfare Building, 330 Independence Avenue SW., Washington 25, D.C., prior to the thirtieth day following the date of publication of this notice in the FEDERAL REGISTER.

It is proposed that:

1. Section 25.2 *French dressing; identity; label statement of optional ingredients,* be amended by inserting the words "methylcellulose U.S.P. (methoxy content not less than 27.5 percent and not more than 31.5 percent on a dry-weight basis)" immediately after the name sodium carboxymethylcellulose in the list of optional emulsifying ingredients set out in paragraph (c)(1).

2. Section 25.3 *Salad dressing; identity; label statement of optional ingredients,* be amended by inserting the words "methylcellulose U.S.P. (methoxy content not less than 27.5 percent and not more than 31.5 percent on a dry-weight basis)" immediately after the name sodium carboxymethylcellulose in the

list of optional emulsifying ingredients set out in paragraph (d).

Dated: February 10, 1959.

[SEAL] JOHN L. HARVEY,
Deputy Commissioner of Food and Drugs.

[F.R. Doc. 59-1403; Filed, Feb. 16, 1959; 8:48 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[17 CFR Part 230]

CERTAIN TRANSACTIONS BY THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Notice of Proposed Rule Making

Notice is hereby given that the Securities and Exchange Commission has under consideration a proposed rule relating to certain transactions by the International Bank for Reconstruction and Development.

The proposed rule, which is designated Rule 144 (§ 230.144) would define the term "transactions by an issuer not involving any public offering", in section 4(1) of the Act, to include the offering and sale to corporate or institutional investors of participations in loans held by the International Bank for Reconstruction and Development where the participations are arranged separately with each such investor and the investor buys for investment and not with a view to making a distribution.

The proposed rule would also define the term "distribution" in section 2(11) of the Act as not applying to such transactions by the Bank or by any dealer who is acting on an agency basis pursuant to a written contract with the Bank.

The Bank is an international cooperative organization of 66 member countries who constitute its shareholders. It is principally engaged in lending funds to finance development projects in member countries. Borrowers from the Bank may be member governments, political subdivisions or agencies of members, or private enterprises. If a borrower is not the government in whose territory a project is located, a guarantee from that government is required.

Participations offered or sold by the Bank range from $50,000 per participation to an exceptional $10,000,000. The average in recent years has been in excess of $1,000,000. The Bank has advised the Commission that participations are offered and sold only to corporate or other institutional investors who represent a specialized market for securities of this type.

The text of the proposed rule is as follows:

§ 230.144 Definition of certain terms used in sections 2(11) and 4(1) in relation to certain transactions of the International Bank for Reconstruction and Development.

(a) The term "transactions by an issuer not involving any public offering" in section 4(1) of the Act shall be deemed to include any offer or sale by the International Bank for Reconstruction and Development, or by any dealer on an agency basis and pursuant to a written contract with the Bank, of any participation in, or right under, any loan held by the Bank where the offer or sale:

(1) Is made only to lending institutions or corporate or other institutional investors selected by or on behalf of the Bank who take any such participation or right for investment and not with a view to distribution;

(2) Is negotiated or arranged separately with each such investor;

(3) Is made without, and is not followed by, public advertisement or other publicity commonly used in connection with the public distribution of securities.

(b) The term "distribution" in section 2(11) of the Act shall not be deemed to apply to any action of the International Bank for Reconstruction and Development or any dealer acting on an agency basis and pursuant to a written contract with the Bank in negotiating, arranging or effecting the offer or sale of any participation in, or right under, any loan held by the Bank where the offer or sale is made to the persons, and in the manner, specified in paragraph (a) of this section.

The proposed action would be taken pursuant to the Securities Act of 1933, particularly sections 2(11), 4(1) and 19(a) thereof.

All interested persons are invited to submit data, views and comments on the proposed rule, in writing, to the Securities and Exchange Commission, Washington 25, D.C., on or before March 10, 1959. Except where it is requested that such communications not be disclosed, they will be considered available for public inspection.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

FEBRUARY 9, 1959.

[F.R. Doc. 59-1383; Filed, Feb. 16, 1959; 8:46 a.m.]

NOTICES

DEPARTMENT OF STATE

Office of the Secretary

[Public Notice 159]

[Delegation of Authority 85-5]

ADMINISTRATION OF MUTUAL SECURITY ACT OF 1954 AND DELEGATION OF CERTAIN RELATED FUNCTIONS

By virtue of the authority vested in me by Executive Order No. 10610, as amended, the Mutual Security Act of 1954 (68 Stat. 832), as amended, section 4 of the Act of May 26, 1949 (62 Stat. 111, 5 U.S.C. 151c), as amended, and as Secretary of State, Delegation of Authority No. 85 of June 30, 1955 (20 F.R. 4825, 7950; 22 F.R. 7344, 10124; 23 F.R. 539), as heretofore amended, is hereby amended as follows:

1. The first sentence of section 1 is amended by inserting "and under the direction and control of the Under Secretary of State for Economic Affairs" after "Department of State", and by inserting "and which, as provided in section 103(a) of Executive Order No. 10610, shall be headed by the Director of the International Cooperation Administration" before the period.

2. Section 2 is repealed and section 3 is redesignated section 2.

3. The title of section 2 is amended by deleting "*Deputy*".

4. Section 2a. is amended by deleting "Deputy" in the introductory clause, by substituting "Chapter I" for "chapter 1, title I" in paragraph (4), by repealing paragraph (6), by adding after paragraph (5) paragraphs (1), (3), and (4) of section 4a. in that order and redesignating them paragraphs (6), (7), and (8), respectively, and by deleting the introductory clause before "the function" in paragraph (7).

5. Section 2b. is amended to read as follows:

b. The Under Secretary of State for Economic Affairs may, to the extent consistent with law, delegate or assign any of the functions delegated or assigned to him by this order to officers of the Department of State, including the Director of the International Cooperation Administration, and may authorize such officers to whom functions are so delegated or assigned successively to redelegate or reassign any of such functions.

6. Section 4b. is redesignated section 2c., and is amended by substituting "The Under Secretary of State for Economic Affairs may authorize the Director of the International Cooperation Administration or his designees to promulgate from time to time, to the extent consistent with law," for the language up to "such rules and regulations".

7. Section 4 is repealed.

8. Section 5 is redesignated section 3, and is amended to read as follows:

3. *Records, property, personnel, positions, and funds.* The Under Secretary of State for Economic Affairs may place in the International Cooperation Administration, or elsewhere in the Department of State, records, property, personnel, positions, and unexpended balances of

appropriations, allocations, and other funds of the Foreign Operations Administration transferred to the Department of State by section 302 of Executive Order No. 10610.

9. Sections 6, 7, and 8 are redesignated sections 4, 5, and 6, respectively, and section 4 is amended by inserting "by the Under Secretary of State for Economic Affairs" after "time to time" and by substituting "Under Secretary of State for Economic Affairs" for "Secretary of State".

Dated: February 3, 1959.

[SEAL] JOHN FOSTER DULLES,
Secretary of State.

[F.R. Doc. 59-1390; Filed, Feb. 16, 1959; 8:47 a.m.]

DEPARTMENT OF THE TREASURY

Bureau of Customs

[T.D. 54789]

FISH

Tariff-Rate Quota

FEBRUARY 11, 1959.

The tariff-rate quota for the calendar year 1959 on certain fish dutiable under paragraph 717(b), Tariff Act of 1930, as modified.

In accordance with the proviso to item 717(b) of Part I, Schedule XX, of the General Agreement on Tariffs and Trade (T.D. 51802), it has been ascertained that the average aggregate apparent annual consumption in the United States of fish, fresh or frozen (whether or not packed in ice), filleted, skinned, boned, sliced, or divided into portions, not specially provided for: cod, haddock, hake, pollock, cusk, and rosefish, in the three years preceding 1959, calculated in the manner provided for in the cited agreement, was 246,132,491 pounds. The quantity of such fish that may be imported for consumption during the calendar year 1959 at the reduced rate of duty established pursuant to that agreement is, therefore, 36,919,874 pounds.

[SEAL] RALPH KELLY,
Commissioner of Customs.

[F.R. Doc. 59-1404; Filed, Feb. 16, 1959; 8:49 a.m.]

[T.D. 54788]

HAWAIIAN TEXTRON, INC.

Registration of House Flag and Funnel Marks

The Commissioner of Customs by virtue of the authority vested in him and in accordance with § 3.81(a), Customs Regulations (19 CFR 3.81(a)), has registered the house flag and funnel marks of Hawaiian Textron, Inc., described below:

(a) *House flag.* The house flag is rectangular in shape. The hoist is 4 feet in height; the fly is 6 feet. Superimposed on the center of the white field is a full length horizontal green stripe 16 inches in height. Superimposed and centered on the stripe, horizontally and vertically but extending into the white field above and below the center stripe, is a red letter "H", 24 inches in height and 21½ inches in width.

(b) *Funnel mark (for C-2 cargo vessels).* The funnel mark for C-2 cargo vessels is to appear on a light-green stack, 27 feet in height and 11 feet in diameter. At the top of the funnel is a black band, 6 feet in uniform depth. Immediately below the black band appears a white band, 7½ feet in depth. Superimposed on the white band centered vertically and horizontally in a fore-and-aft direction is a red letter "H" 6 feet in height and 6 feet in width.

(c) *Funnel mark (for passenger vessels).* The funnel mark for passenger vessels is to appear on a raked light-green stack, 54 feet in height and 30 feet in diameter. At the top of the funnel is a black band, 12 feet in depth. Immediately below the black band is a white band, 15 feet in depth. Superimposed on the white band, centered vertically and horizontally in a fore-and-aft direction, is a red letter "H", 11 feet in height and 20 feet in width.

Colored scale replica drawings of the house flag and funnel marks described above are on file with the Federal Register Division, National Archives and Records Service.

[SEAL] RALPH KELLY,
Commissioner of Customs.

[F.R. Doc. 59-1391; Filed, Feb. 16, 1959; 8:47 a.m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[Document No. 200]

ARIZONA

Notice of Proposed Withdrawal and Reservation of Lands

The Fish and Wildlife Service, USDI, has filed an application, AR-018777, for the withdrawal of these lands described below, not included within the present boundaries of the Havasu Lake National Wildlife Refuge as established by Executive Order No. 8647 of January 22, 1941, and enlarged by Public Land Order No. 559 of February 11, 1949, from all forms of appropriation including the mining and mineral leasing laws. The applicant desires the lands for the purpose of correcting the legal description of and enlarging the boundaries of the Havasu Lake National Wildlife Refuge. For a period of thirty (30) days from the date of publication of this notice, persons having cause may present their objections in writing to the undersigned official of the Bureau of Land Management, Department of the Interior, P.O. Box 148, Phoenix, Arizona. If circumstances warrant it, a public hearing will be held at a convenient time and place which will be announced. The determination of the Secretary of the Interior on the allowance of the application will be published in the FEDERAL REGISTER. A separate notice will be sent to any interested party of record.

GILA AND SALT RIVER MERIDIAN

T. 11 N., R. 18 W.,
Sec. 4: Lots 1, 2, S½NE¼, SE¼;
Sec. 10: N½;
Sec. 11: All;
Sec. 12: All;
Sec. 13: NE¼, S½;
Sec. 22: All;
Sec. 23: All;
Sec. 24: All.
T. 12 N., R. 18 W.,
Sec. 19: Lots 1, 2, 3, 4, E½, E½W½ (All);
Sec. 29: All;
Sec. 30: Lot 1, NE¼, E½NW¼, N½SE¼, SE¼SE¼;
Sec. 32: Lot 1, N½, E½SW¼, SE¼.
T. 12 N., R. 19 W.,
Sec. 5: Lots 1, 2, 3, 4, S½ (All);
Sec. 6: Lots 1, 2, 3, 4, 5, E½SW¼, SE¼;
Sec. 8: Lots 1, 2, 4, NE¼NE¼;
Sec. 9: Lot 1, N½, E½SW¼, SE¼;
Sec. 10: All;
Sec. 14: W½;
Sec. 15: Lot 1, N½, N½SW¼, SE¼SW¼, SE¼;
Sec. 16: E½NE¼;
Sec. 22: E½NE¼NE¼, NE¼SE¼NE¼;
Sec. 23: Lots 2, 3, 4, N½;
Sec. 24: N½, N½SW¼, SE¼SW¼, SE¼.
T. 13 N., R. 19 W.,
Sec. 30: Lots 3, 4, E½SW¼, SE¼;
Sec. 31: Lots 1, 2, 4, NE¼, E½NW¼, N½SE¼, SE¼SE¼;
Sec. 32: All.
T. 13 N., R. 20 W.,
Sec. 4: E½E½;
Sec. 9: SW¼NE¼NE¼, W½SE¼NE¼, E½SE¼;
Sec. 10: SW¼;
Sec. 14: SW¼;
Sec. 15: NE¼SW¼NW¼, SW¼SW¼NW¼, NW¼SE¼NW¼, S½SE¼NW¼, NE¼NE¼SW¼, NW¼NW¼SE¼, S½NW¼SE¼, SE¼SE¼;
Sec. 23: Lot 1, E½NW¼NW¼, SE¼NW¼, NW¼NW¼SE¼, SE¼NW¼SE¼, E½SE¼SE¼;
Sec. 24: SW¼;
Sec. 25: Lot 3, S½SW¼NE¼, SW¼NE¼NW¼, W½NW¼NW¼, SE¼NW¼NW¼, S½NW¼, NW¼SE¼, SW¼SE¼SE¼.
T. 14 N., R. 20 W.,
Sec. 6: Lots 1, 2, 3, 4, 5, 6, 7, S½NE¼, SE¼NW¼, E½SW¼, SE¼ (All);
Sec. 7: Lots 1, 2, 3, SW¼SE¼NW¼, W½SE¼;
Sec. 17: SW¼SW¼NW¼, W½NW¼SW¼, SW¼SW¼SW¼;
Sec. 20: NE¼;
Sec. 28: W½;
Sec. 33: SW¼NE¼NW¼, E½NW¼NW¼, W½SE¼NW¼, NW¼NE¼SW¼, SE¼NE¼SW¼, SE¼SW¼, SE¼.
T. 14 N., R. 20½ W.,
Sec. 1: Lots 1, 2, N½SE¼, NE¼, N½NW¼, SE¼NW¼.
T. 15 N., R. 20 W.,
Sec. 6: Lots 1, 2, 3, 4, 5, 6, 7, S½NE¼, SE¼NW¼, E½SW¼, SE¼ (All);
Sec. 7: Lots 1, 2, 3, 4, E½, E½W½ (All);
Sec. 18: Lots 1, 2, 3, 4, E½, E½W½ (All);
Sec. 19: Lots 1, 2, 3, 4, E½, E½W½ (All);
Sec. 30: Lots 1, 2, 3, 4, E½, E½W½ (All);
Sec. 31: Lots 1, 2, 3, 4, E½, E½W½ (All).
T. 15 N., R. 20½ W.,
Sec. 1: All;
Sec. 2: All;
Sec. 3: Lots 1, 2, 3, 4, E½, Fractional (All);
Sec. 10: Lots 1, E½ Fractional;
Sec. 11: All;
Sec. 12: All;
Sec. 13: All;
Sec. 14: All;
Sec. 23: Lots 1, 2, 3, (All) NE¼, E½NW¼, NW¼NW¼, NE¼SW¼, SE¼;
Sec. 24: All;
Sec. 25: N½, E½SW¼, SE¼;
Sec. 26: Lots 1, 3, NE¼NE¼;
Sec. 35: N½SW¼SE¼, SE¼SW¼SE¼, SE¼SE¼;
Sec. 36: E½.

T. 15 N., R. 21 W.,
Sec. 1: S½;
Sec. 12: All;
Sec. 13: Lots 2, 3, 4, NE¼, NE¼NW¼, N½SE¼, SE¼SE¼;
Sec. 24: Lots 1, 2, 3.
T. 16 N., R. 20 W.,
Sec. 31: Lots 1, 2, 3, 4, E½W½, E½ (All).
T. 16 N., R. 20½ W.,
Sec. 34: Lots 1, 2, 3, 4, E½ Fractional (All);
Sec. 35: All;
Sec. 36: All.

The area described totals approximately 30,235.19 acres, of which approximately 3,250 acres is in addition to the original establishing order and subsequent enlargement order.

Dated: February 5, 1959.

E. I. ROWLAND,
State Supervisor.

[F.R. Doc. 59-1380; Filed, Feb. 16, 1959; 8:46 a.m.]

[Classification No. 52]

NEW MEXICO

Small Tract Classification

FEBRUARY 6, 1959.

1. Pursuant to authority delegated to me by Bureau Order No. 541, dated April 21, 1954 (19 F.R. 2473), I hereby classify the following described public lands totalling 80 acres in San Juan County, New Mexico as suitable for lease and sale for residence purposes under the Small Tract Act of June 1, 1938 (52 Stat. 609, 43 USC 682a), as amended:

NEW MEXICO PRINCIPAL MERIDIAN

T. 30 N., R. 12 W.,
Sec. 15, W½NW¼.

2. Classification of the above described lands by this order segregates them from all appropriations, including locations under the mining laws, except as to applications under the Small Tract Act and applications under the mineral leasing laws.

3. The lands are located approximately 6 miles southwest of Aztec, New Mexico. U.S. Highway 550 is one mile to the south, with an unimproved road leading to the tract. The topography is rolling and gently sloping. The soil is sandy loam in texture. Vegetation consists of sage brush and juniper. The elevation is 5,500 feet to 5,550 feet. Annual precipitation is 8 inches and average annual temperature is 52°. The towns of Aztec and Farmington provide adequate religious, medical, educational, recreational, and shopping facilities. A power line runs within ¼ mile east of the tract, and potable water can be obtained by drilling wells. There is no evidence of metallic or non-metallic minerals; and no mineral activity was observed on the lands.

4. Each of the tracts, numbered 1 through 32 for reference purposes only, contains 2.5 acres. The appraised value of each tract is $250.00. The lands will be subject to all existing rights-of-way, and to rights-of-way 33 feet in width for street and road purposes and public utilities along the exterior boundaries of each tract. The advance rental, the appraised price, the reference number, and legal description of each tract are shown below:

Tract No.	Advance rental-3 yrs.	Legal description	Appraised price
[1] 1	$37.50	NE¼NE¼NW¼NW¼	$250.00
[1] 2	37.50	NW¼NE¼NW¼NW¼	250.00
3	37.50	NE¼NW¼NW¼NW¼	250.00
4	37.50	NW¼NW¼NW¼NW¼	250.00
5	37.50	SE¼NE¼NW¼NW¼	250.00
6	37.50	SW¼NE¼NW¼NW¼	250.00
7	37.50	SE¼NW¼NW¼NW¼	250.00
8	37.50	SW¼NW¼NW¼NW¼	250.00
[1] 9	37.50	NE¼SE¼NW¼NW¼	250.00
10	37.50	NW¼SE¼NW¼NW¼	250.00
11	37.50	NE¼SW¼NW¼NW¼	250.00
12	37.50	NW¼SW¼NW¼NW¼	250.00
13	37.50	SE¼SE¼NW¼NW¼	250.00
14	37.50	SW¼SE¼NW¼NW¼	250.00
15	37.50	SE¼SW¼NW¼NW¼	250.00
16	37.50	SW¼SW¼NW¼NW¼	250.00
17	37.50	NE¼NE¼SW¼NW¼	250.00
18	37.50	NW¼NE¼SW¼NW¼	250.00
19	37.50	NE¼NW¼SW¼NW¼	250.00
20	37.50	NW¼NW¼SW¼NW¼	250.00
21	37.50	SE¼NE¼SW¼NW¼	250.00
22	37.50	SW¼NE¼SW¼NW¼	250.00
23	37.50	SE¼NW¼SW¼NW¼	250.00
24	37.50	SW¼NW¼SW¼NW¼	250.00
25	37.50	NE¼SE¼SW¼NW¼	250.00
26	37.50	NW¼SE¼SW¼NW¼	250.00
27	37.50	NE¼SW¼SW¼NW¼	250.00
[1] 28	37.50	NW¼SW¼SW¼NW¼	250.00
[1] 29	37.50	SE¼SE¼SW¼NW¼	250.00
[1] 30	37.50	SW¼SE¼SW¼NW¼	250.00
[1] 31	37.50	SE¼SW¼SW¼NW¼	250.00
[1] 32	37.50	SW¼SW¼SW¼NW¼	250.00

[1] Under application from persons entitled to preference under 43 CFR 257.5(a).

5. Leases will be issued for a term of three years and will contain an option to purchase in accordance with 43 CFR 257.13. Lessees who comply with the general terms and conditions of their leases will be permitted to purchase their tracts at the prices listed above, provided that during the period of their leases they either (a) construct the improvements specified in paragraph 7 or (b) file a copy of an agreement in accordance with 43 CFR 257.13(d). Leases will be renewable at the discretion of the Bureau of Land Management and the renewal lease will be subject to such terms and conditions as are deemed necessary in the light of the circumstances and the regulations existing at the time of renewal. However, a lease will not be renewable unless failure to construct the required improvements is justified in the circumstances and nonrenewal would work an extreme hardship on the lessee.

6. Persons who have previously acquired a tract under the Small Tract Act are not qualified to obtain a tract herein listed unless they can make a showing satisfactory to the Bureau of Land Management that the acquisition of another tract is warranted in the circumstances.

7. The improvements referred to in paragraph 5 above must conform with health, sanitation, and construction requirements of local ordinances, and must, in addition, meet the following standards: The house must be suitable for year-round use, rest on a permanent foundation, and possess a minimum of 600 square feet of floor space. It must be built in a workmanlike manner out of properly finished materials. Adequate disposal and sanitary facilities must be installed.

8. Applicants must file, in duplicate, with the Manager, Land Office, P.O. Box 1251, Santa Fe, New Mexico, application Form 4-776, filled out in compliance with the instructions on the form and accompanied by any showings or documents required by those instructions. Copies of the application form can be obtained from the above-named official.

The application must be accompanied by a filing fee of $10.00 plus the advance rental specified above. Failure to transmit these payments with the application will render the application invalid. Advance rentals will be returned to unsuccessful applicants. All filing fees will be retained by the United States.

9. The lands are now subject to application under the Small Tract Act. All valid applications filed prior to March 27, 1958 will be granted the preference right provided by 43 CFR 275.5(a). All valid applications from persons entitled to veterans' preference filed after March 27, 1958, and prior to 10:00 a.m., March 16, 1959, will be considered as simultaneously filed at that time. All valid applications from persons entitled to veterans' preference filed after that time will be considered in the order of filing. All valid applications from other persons filed after February 6, 1959, and prior to 10:00 a.m., June 13, 1959, will be considered as simultaneously filed at that time. All valid applications filed after that time will be considered in the order of filing.

10. Inquiries concerning these lands shall be addressed to Manager, Land Office, P.O. Box 1251, Santa Fe, New Mexico.

E. R. SMITH,
State Supervisor.

[F.R. Doc. 59-1381; Filed, Feb. 16, 1959; 8:46 a.m.]

Fish and Wildlife Service

[Director's Order 1, Amdt. 2]

CERTAIN DESIGNATED OFFICIALS OF THE BUREAU OF COMMERCIAL FISHERIES

Delegation of Authority with Respect to Contracts and Leases for Space

JANUARY 23, 1959.

Director's Order No. 1, dated October 14, 1957 (22 F.R. 8241), is hereby amended as hereinafter indicated:

1. Section 1(a) (1) and (2) are hereby amended to read as follows:

(1) *Headquarters organization.* Assistant Director, Chief, Division of Administration, Bureau of Commercial Fisheries; and Chief, Division of Administration, Chief, Branch of Budget and Finance, Bureau of Sport Fisheries and Wildlife; unlimited as to amount; and Supply Officer, Bureau of Sport Fisheries and Wildlife, $100,000.

(2) *Regional offices.* Regional Directors and Assistant Regional Directors; and Administrative Officers and Property Management Officers of the Bureau of Commercial Fisheries and the Bureau of Sport Fisheries and Wildlife, $100,000.

2. Section 3 (b) (1) and (2) are hereby amended to read as follows:

(1) *Headquarters organization.* Assistant Director, Chief, Division of Administration, Bureau of Commercial Fisheries; and Chief, Division of Administration, Chief, Branch of Budget and Finance, Bureau of Sport Fisheries and Wildlife; unlimited as to amount.

(2) *Regional offices.* Regional Directors and Assistant Regional Directors, and Administrative Officers and Property Management Officers of the Bureau of Commercial Fisheries and the Bureau of Sport Fisheries and Wildlife, $100,000.

(Secretary's Order No. 2509, Amdts. 16 and 25; Commissioner's Order No. 3, 22 F.R. 8126)

A. W. ANDERSON,
Acting Director,
Bureau of Commercial Fisheries.

[F.R. Doc. 59-1376; Filed, Feb. 16, 1959; 8:45 a.m.]

DEPARTMENT OF COMMERCE

Office of the Secretary

CARL O. FRIEND

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests as reported in the FEDERAL REGISTER:

A. Deletions: No change.
B. Additions: No change.

This statement is made as of February 1, 1959.

CARL O. FRIEND.

FEBRUARY 1, 1959.

[F.R. Doc. 59-1397; Filed, Feb. 16, 1959; 8:48 a.m.]

ATOMIC ENERGY COMMISSION

[Docket No. 50-18]

GENERAL ELECTRIC CO.

Issuance of Amendment to Utilization Facility License

Please take notice that no request for a formal hearing having been filed following the filing of notice of the proposed action with the Federal Register Division on January 9, 1959, the Atomic Energy Commission has issued Amendment No. 9 to facility license No. DPR-1. The amendment revises and broadens the authorization under License No. DPR-1 covering the operation of General Electric Company's Vallecitos Boiling Water Reactor located in Alameda County, California. The amendment as issued does not include the limitation on maximum and minimum operating pressures which appeared in the proposed amendment. Notice of the proposed action was published in the FEDERAL REGISTER on January 14, 1959, 24 F.R. 323.

Dated at Germantown, Md. this 4th day of February 1959.

For the Atomic Energy Commission.

H. L. PRICE,
Director, Division of Licensing and Regulation.

[F.R. Doc. 59-1313; Filed, Feb. 16, 1959; 8:45 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket Nos. 12548-12549; FCC 59M-188]

FALCON BROADCASTING CO. AND SIERRA MADRE BROADCASTING CO.

Order Scheduling Hearing

In re applications of George A. Baron, tr/as Falcon Broadcasting Company, Vernon, California; Docket No. 12548, File No. BPH-2382; Max H. Isoard, tr/as Sierra Madre Broadcasting Company, Sierra Madre, California; Docket No. 12549, File No. BPH-2403; for construction permits.

It is ordered, This 10th day of February 1959 that pursuant to the agreement reached at the prehearing conference held herein on this date, the hearing on the above-entitled proceeding is scheduled to commence at 10:00 a.m., on February 26, 1959, in the office of the Commission at Washington, D.C.

Released: February 11, 1959.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 59-1410; Filed, Feb. 16, 1959; 8:49 a.m.]

[Docket No. 12690; FCC 59M-195]

LOS BANOS BROADCASTING CO.

Order Continuing Hearing

In re application of James H. Rose, tr/as Los Banos Broadcasting Company, Los Banos, California; Docket No. 12690, File No. BP-11874; for construction permit.

The Hearing Examiner having under consideration the informal request for a 30-day continuance of the prehearing and hearing dates in the above-entitled proceeding filed on February 10, 1959, by Los Banos Broadcasting Company;

It appearing, that prehearing and hearing herein are presently scheduled for February 17, 1959, and March 17, 1959, respectively; and

It further appearing, that all counsel have consented to immediate consideration and grant of the said request and that good cause for a grant has been set forth in that applicant is in the course of making field intensity measurements looking toward an engineering amendment designed to eliminate the interference considerations leading to designation of the application for hearing;

It is ordered, This 10th day of February 1959 that the prehearing conference herein is continued to March 26, 1959, and the hearing to April 21, 1959.

Released: February 11, 1959.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 59-1411; Filed, Feb. 16, 1959; 8:49 a.m.]

[Docket No. 12741; FCC 59M-197]

CONSOLIDATED AMUSEMENT CO., LTD., AND HIALAND DEVELOPMENT CORP.

Order Continuing Hearing

In re application of Consolidated Amusement Company, Ltd. (Transferor) and Hialand Development Corporation (Transferee), Docket No. 12741, File No. BTC-2958; for Commission consent to the transfer of control of Hawaiian Broadcasting System, Limited, licensee of Stations KGMB and KGMB-TV, Honolulu, KHBC and KHBC-TV, Hilo, and KMAU-TV, Wauluku, Territory of Hawaii.

The Hearing Examiner having under consideration the above-entitled proceeding;

It appearing, that there is presently pending before the Chief Hearing Examiner an informal request filed by Harry Weinberg and the 800 Corporation for dismissal of the protest and petition for consideration filed pursuant to sections 309(c) and 405 of the Communications Act of 1934;

It further appearing, that a prehearing conference and hearing herein are presently scheduled for February 13, 1959, and March 3, 1959, respectively;

It is ordered, This 10th day of February 1959 that the said prehearing conference and hearing are, on the Examiner's own motion, continued without date pending disposition of the said request for dismissal.

Released: February 11, 1959.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 59-1412; Filed, Feb. 16, 1959; 8:49 a.m.]

[Docket Nos. 12753, 12754; FCC 59M-186]

LOUIS W. SKELLY AND MON-YOUGH BROADCASTING CO. (WMCK)

Order Scheduling Prehearing Conference

In re applications of Louis W. Skelly, Conneaut, Ohio; Docket No. 12753, File No. BP-11725; Mon-Yough Broadcasting Company (WMCK), McKeesport, Pennsylvania; Docket No. 12754, File No. BP-12263; for construction permits.

The Hearing Examiner having under consideration the above-entitled proceeding;

It is ordered, This 10th day of February 1959, that all parties, or their attorneys, who desire to participate in the proceeding, are directed to appear for a prehearing conference, pursuant to the provisions of § 1.111 of the Commission's rules, at the Commission's offices in Washington, D.C., at 2:00 p.m., March 4, 1959.

Released: February 10, 1959.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 59-1413; Filed, Feb. 16, 1959; 8:49 a.m.]

FEDERAL AVIATION AGENCY

ASSISTANT ADMINISTRATOR FOR MANAGEMENT SERVICES

Delegation of Final Authority

1. *Purpose.* The purpose of this notice is to delegate authority to the Assistant Administrator for Management Services.

2. *Delegation.* Pursuant to authority vested in the Administrator by the Federal Aviation Act of 1958, the Assistant Administrator for Management Services is hereby delegated all authority vested by law or regulation in the Administrator of the Federal Aviation Agency to take final action on all matters pertaining to the provision of administrative or management services, except those pertaining to personnel management, security and training, within the Federal Aviation Agency, provided that the exercise of such authority is not specifically restricted to the Administrator by law or regulation.

3. *Exercise of authority.* The Assistant Administrator for Management Services is directed and authorized to exercise all authority vested in him by this notice in accordance with applicable provisions of law and regulation and such policies, conditions and limitations as may be prescribed by the Administrator.

4. *Redelegation.* The Assistant Administrator for Management Services may, at his discretion, delegate any authority conferred upon him by this notice, provided redelegation is permitted by law or regulation, to any employee of the Federal Aviation Agency, and may further provide for redelegation by such employee, if permitted by law and regulation, subject to such conditions and limitations as the Assistant Administrator for Management Services may deem necessary.

5. *Effective date.* This notice is effective January 12, 1959.

Adopted: January 12, 1959.

E. R. QUESADA,
Administrator.

[F.R. Doc. 59-1370; Filed, Feb. 16, 1959; 8:45 a.m.]

FEDERAL POWER COMMISSION

[Project No. 1971]

IDAHO POWER CO.

Notice of Land Withdrawal; Idaho

DECEMBER 12, 1958.

In accordance with Artical 45 of the

In accordance with Article 45 of the License, Project No. 1971, issued August 8, 1955, the Idaho Power Company (Licensee) on September 8, 1958, filed a map exhibit of the Oxbow-Brownlee 230 kv transmission line, which is to be added to its transmission system.

Therefore, in accordance with the provisions of section 24 of the Act of June 10, 1920, as amended, notice is hereby given that the hereinafter described lands, insofar as title thereto remains in the United States are from September 8, 1958, the date of filing of exhibits, reserved from entry, location or other disposal under the laws of the United States until otherwise directed by the Commission or by Congress.

BOISE MERIDIAN

All portions of the following described subdivisions lying within 75 feet of the center line survey of the transmission line right-of-way location, from Oxbow switchyard to Brownlee switchyard, as delimited on map Exhibit J and K, consolidated, (F.P.C. No. 1971-69).

T. 18 N., R. 4 W.,
Sec. 4: Lot 2, SW¼NE¼, NW¼SE¼;
Sec. 9: Lot 3, NW¼NE¼, E½NW¼, SW¼SW¼;
Sec. 17: E½SE¼;
Sec. 20: Lots 1, 2, 3, 4, SW¼NE¼, SE¼SW¼;
Sec. 29: NW¼NW¼;
Sec. 30: Lots 1, 2, 3, 4, NE¼SE¼, SW¼SE¼;
Sec. 31: Lot 1.
T. 19 N., R. 4 W.,
Sec. 20: Lot 3;
Sec. 28: SW¼SW¼;
Sec. 29: Lots 1, 3;
Sec. 33: Lot 1.
T. 17 N., R. 5 W.,
Sec. 1: Lot 3, SE¼NW¼.

The general determination made by the Commission at its meeting of April 17, 1922, with respect to lands reserved for power transmission line purposes, is applicable to those portions of the above-described lands occupied for that purpose only.

The area of United States land reserved by the filing of this amendment to the license for the project is approximately 115 acres, all of which, except approximately 1 acre, has been heretofore reserved for power purposes under prior applications for this project (No. 1971), Power Site Classification No. 420 or Power Site Reserve No. 226.

A copy of map Exhibit J and K (F.P.C. No. 1971-69) has been transmitted to the Bureau of Land Management, Geological Survey and Bureau of Reclamation.

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 59-1371; Filed, Feb. 16, 1959; 8:45 a.m.]

[Docket No. G-4376, etc.]

N. APPLEMAN CO. ET AL.

Notice of Applications and Date of Hearing

FEBRUARY 10, 1959.

In the matters of Nathan Appleman, d/b/a N. Appleman Co., et al., Docket Nos. G-4376, to G-4404, inclusive and G-4458 to G-4482, inclusive.

Take notice that Nathan Appleman, d/b/a N. Appleman Company (Applicant), an independent producer with principal place of business in New York, New York, filed on October 12, 1954 (Docket Nos. G-4376 to G-4404, inclusive) and October 19, 1954 (Docket Nos. G-4458 to G-4482, inclusive), applications for certificates of public convenience and necessity pursuant to section 7(c) of the Natural Gas Act, authorizing the Applicant to sell natural gas as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the applications which are on file with the Commission and open to public inspection.

The applications in Docket Nos. G-4400 through G-4404 and G-4477 through G-4482 are also filed in behalf of William E. Slaughter, Jr., Max M. Fisher, H. E. Wenger, I. L. Goldman, and John S. Bugas; while those in Docket Nos. G-4376 through G-4399 and G-4458 through G-4475 are also filed in behalf of Janet G. Appleman.

Applicant sells natural gas to Cities Service Gas Company for resale in interstate commerce for ultimate public consumption. Sales are made pursuant to a contract dated June 23, 1950, between Stanolind Oil and Gas Company, now Pan American Petroleum Corporation, and Cities Service Gas Company to which Nathan Appleman has gained signatory status by numerous instruments of assignment covering the acreage included in the above entitled dockets. This gas is produced from wells in Haskell, Stanton, Morton, Finney and Kearny Counties, Kansas, in the Kansas-Hugoton Gas Field. Service commenced prior to June 7, 1954.

These related matters should be heard on a consolidated record and disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on March 26, 1959, at 9:30 a.m., e.s.t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D.C., concerning the matters involved in and the issues presented by such applications: *Provided, however,* That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30(c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before March 20, 1959. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F.R. Doc. 59-1372; Filed, Feb. 16, 1959; 8:45 a.m.]

[Docket No. G-9174, etc.]

MIDDLE STATES PETROLEUM CORP. ET AL.

Notice of Consolidation of Proceedings and Date of Hearing

FEBRUARY 11, 1959.

In the matters of Middle States Petroleum Corporation, Docket Nos. G-9174, G-9387, G-11039, G-11081, G-13427, G-13431, G-15074, G-15452, G-15508, G-16251, G-16485, G-16486, G-16650, G-16692, G-16708; Middle States Petroleum Corporation (Operator) et al., Docket Nos. G-16247 and G-16707.

Middle States Petroleum Corporation (Middle States), successor in interest to Midstates Oil Corporation, filed a motion on February 4, 1959, to consolidate the proceedings in Docket Nos. G-16650, G-16485, G-15452, G-15074, G-15508, G-16251, G-16486 and G-16247 with the proceedings in Docket Nos. G-9174, G-9387, G-11039, G-11081, G-13427, and G-13431 which are now consolidated and on February 9, 1958, were recessed by the hearing Examiner subject to further order of the Commission. Counsel for Middle States has also requested that the proceedings in Docket Nos. G-16708, G-16692, and G-16707 be consolidated with the proceedings herein.

Take notice that the proceedings in Docket Nos. G-16650, G-16485, G-15452, G-15074, G-15508, G-16251, G-16486 and G-16247, and Docket Nos. G-16708, G-16692 and G-16707 are consolidated with the proceedings herein.

Take further notice that pursuant to the prior orders of the Commission in each of the above proceedings and the Natural Gas Act, particularly sections 4 and 15 thereof, and the Commission's rules of practice and procedure, a public hearing will be held commencing on March 4, 1959, at 10:00 a.m., e.s.t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D.C., concerning the matters and issues involved in these consolidated proceedings.

Interested State commissions may participate as provided by §§ 1.8 and 1.37(f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37(f)).

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F.R. Doc. 59-1373; Filed, Feb. 16, 1959; 8:45 a.m.]

[Project No. 2254]

BLUE RIDGE ELECTRIC MEMBERSHIP CORP.

Notice of Application for Preliminary Permit

FEBRUARY 10, 1959.

Public notice is hereby given that application has been filed under the Federal Power Act (16 U.S.C. 791a-825r) by the Blue Ridge Electric Membership Corporation of Lenoir, North Carolina, for a preliminary permit for proposed water-power Project No. 2254 to be located on the Yadkin River, a tributary of the Pee Dee River near North Wilkesboro in Wilkes County, North Carolina, and affecting lands of the United States under control of the Corps of Engineers, Department of the Army. The proposed project would consist of power generating facilities of approximately 1,400 kilowatts and appurtenances at the proposed Wilkesboro flood and flow regulation dam authorized for construction by the Corps of Engineers.

No construction is authorized under a preliminary permit. A permit, if issued, gives the permittee, during the period of the permit, the right to priority of application for license while the permittee undertakes the necessary studies and examinations, including the preparation of maps and plans, in order to determine the economic feasibility of the proposed project, the means of securing the necessary financial arrangements for construction, the market for the project power, and all other information necessary for inclusion in an application for license, should one be filed.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure of the Commission (18 CFR 1.8 or 1.10). The last day on which protests or petitions may be filed is April 6, 1959. The application is on file with the Commission for public inspection.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F.R. Doc. 59-1374; Filed, Feb. 16, 1959; 8:45 a.m.]

[Docket No. G-17673]

UNION OIL COMPANY OF CALIFORNIA

Order for Hearing and Suspending Proposed Change in Rate, Etc.

FEBRUARY 6, 1959.

In the order for hearing and suspending proposed change in rate, and allowing increased rate to become effective, issued January 28, 1959, and published in the FEDERAL REGISTER on February 5, 1959 (24 F.R. 863), in the entry under "Rate Schedule Designation" following the first paragraph and in the last sentence in paragraph (A), the words "Supplement No. 7 to Union's FPC Gas Rate Schedule No. 5" should be corrected to read "Supplement No. 5 to Union's FPC Gas Rate Schedule No. 7."

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F.R. Doc. 59-1414; Filed, Feb. 16, 1959; 8:49 a.m.]

[Docket No. G-17684]

CROW DRILLING AND PRODUCING CO.

Order for Hearing, Suspending Proposed Change in Rate, and Allowing Changed Rate To Become Effective

FEBRUARY 11, 1959.

Crow Drilling and Producing Company (Crow) on January 12, 1959, tendered for filing a proposed change in its presently effective rate schedule [1] for sales of natural gas subject to the jurisdiction of the Commission. The proposed change, which constitutes an increased rate and charge, is contained in the following designated filing:

Description: Notice of Change, dated January 8, 1959.

Purchaser: Arkansas Louisiana Gas Company.

Rate schedule designation: Supplement No. 3 to Crow's FPC Gas Rate Schedule No. 2.

Effective date: February 12, 1959 (effective date is the first day after expiration of the required thirty days' notice).

In support of the proposed periodic rate increase, Crow states that the contract was negotiated at arm's length, that the proposed rate is not above the market value of the gas and that the increase is commensurate with rising costs.

The increased rate and charge so proposed has not been shown to be justified, and may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds:

(1) It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed change, and that Supplement No. 3 to Crow's FPC Gas Rate Schedule No. 2 be suspended and the use thereof deferred as hereinafter ordered.

(2) It is necessary and proper in the public interest in carrying out the provisions of the Natural Gas Act that the proposed rate be made effective as hereinafter provided and Crow be required to file an undertaking as hereinafter ordered and conditioned.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4

[1] Supplement No. 2 to Crow's FPC Gas Rate Schedule No. 2 (Louisiana severance tax increase) was suspended by Commission's order issued January 28, 1959, in the above entitled proceedings. Supplement No. 1 to Crow's FPC Gas Rate Schedule No. 2 (Louisiana gathering tax increase) was suspended by Commission's order issued July 30, 1958, in Docket No. G-15576.

and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rate and charge contained in Supplement No. 3 to Crow's FPC Gas Rate Schedule No. 2.

(B) Pending such hearing and decision thereon, said supplement be and it is hereby suspended and the use thereof deferred until February 13, 1959, and until such further time as it is made effective in the manner prescribed by the Natural Gas Act.

(C) The rate, charge, and classification set forth in the supplement shall be effective on February 13, 1959: *Provided, however,* That within 20 days from the date of this order, Crow shall execute and file with the Secretary of the Commission the agreement and undertaking described in paragraph (E) below.

(D) Crow shall refund at such times and in such amounts to the persons entitled thereto, and in such manner as may be required by final order of the Commission, the portion of the increased rate found by the Commission in this proceeding not justified, together with interest thereon at the rate of six percent per annual from the date of payment to Crow until refunded; shall bear all costs of any such refunding; shall keep accurate accounts in detail of all amounts received by reason of the changed rate and charge allowed by this order to become effective, for each billing period, specifying by whom and in whose behalf such amounts were paid; and shall report (original and one copy) in writing and under oath to the Commission monthly (or quarterly if Crow so elects) for each billing period and for each purchaser the billing determinants of natural gas sales to such purchasers and the revenues resulting therefrom, as computed both under the rate in effect immediately prior to the date upon which the changed rate allowed by this order becomes effective, together with the differences in the revenues so computed.

(E) As provided in paragraph (C), within 20 days from the date of issuance of this order, Crow shall execute and file in triplicate with the Secretary of this Commission the written agreement and undertaking to comply with the terms of paragraph (D) hereof, as follows:

Agreement and Undertaking of Crow Drilling and Producing Company To Comply With the Terms and Conditions of Paragraph (D) of Federal Power Commission's Order Making Effective Proposed Rate Change

In conformity with the requirements of the order issued _____, 1959, in Docket No. G–17684, Crow Drilling and Producing Company hereby agrees and undertakes to comply with the terms and conditions of paragraph (D) of said order, and for that purpose has caused this agreement and undertaking to be executed and sealed in its name by its officers, thereupon duly authorized in accordance with the terms of the resolution of its Board of Directors, a certified copy of which is appended hereto this _____ day of _____ 1959.

CROW DRILLING AND PRODUCING COMPANY

By _____

Attest:

_____
Secretary

Unless Crow is advised to the contrary within 15 days after the date of filing such agreement and undertaking, the agreement and undertaking shall be deemed to have been accepted.

(F) If Crow shall, in conformity with the terms and conditions of paragraph (D) of this order, make the refunds as may be required by order of the Commission, the undertaking shall be discharged; otherwise it shall remain in full force and effect.

(G) Neither the supplement hereby suspended nor the rate schedule sought to be altered thereby shall be changed until the period of suspension has expired, unless otherwise ordered by the Commission.

(H) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37(f)).

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F.R. Doc. 59–1415; Filed, Feb. 16, 1959; 8:49 a.m.]

[Docket No. G–17731]

PURE OIL CO.

Order for Hearing and Suspending Proposed Change in Rate

FEBRUARY 11, 1959.

Pure Oil Company (Pure), on January 12, 1959, tendered for filing a proposed change in its presently effective rate schedule for the sale of natural gas subject to the jurisdiction of the Commission. The proposed change, which constitutes an increased rate and charge, is contained in the following designated filing:

Description: Notice of Change, undated.
Purchaser: Hope Natural Gas Company.
Rate schedule designation: Supplement No. 6 to Pure's FPC Gas Rate Schedule No. 7.
Effective date: February 12, 1959 (effective date is the first day after expiration of statutory notice).

In support of the proposed increased rate and charge, Pure cited the escalation provisions of the contract and submitted copies of a letter from the purchaser agreeing to the increase. Pure further states that the proposed increase is small compared to the increases in its costs over the past twenty years.

The increased rate and charge so proposed has not been shown to be justified, and may be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful.

The Commission finds: It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed change, and that Supplement No. 6 to Pure's FPC Gas Rate Schedule No. 7 be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rate and charge contained in Supplement No. 6 to Pure's FPC Gas Rate Schedule No. 7.

(B) Pending such hearing and decision thereon, said supplement be and it hereby is suspended and the use thereof deferred until July 12, 1959, and until such further time as it is made effective in the manner prescribed by the Natural Gas Act.

(C) Neither the supplement hereby suspended nor the rate schedule sought to be altered thereby shall be changed until this proceeding has been disposed of or until the period of suspension has expired, unless otherwise ordered by the Commission.

(D) Interested State commissions may participate as provided by §§ 1.8 and 1.37(f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37(f)).

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F.R. Doc. 59–1416; Filed, Feb. 16, 1959; 8:49 a.m.]

[Docket No. G–17732]

UNITED PRODUCING CO., INC.

Order for Hearing and Suspending Proposed Change in Rate

FEBRUARY 11, 1959.

United Producing Company, Inc. (United) on January 12, 1959, tendered for filing a proposed change in its presently effective rate schedule for sales of natural gas subject to the jurisdiction of the Commission. The proposed change, which constitutes an increased rate and charge, is contained in the following designated filings:

Description: Supplemental Agreement, dated November 28, 1958. Notice of Change, dated January 9, 1959.
Purchaser: Colorado Interstate Gas Company.
Rate schedule designation: Supplement Nos. 4 and 5 to United's FPC Gas Rate Schedule No. 22.
Effective date: February 15, 1959 (effective date is that proposed by United).

In support of the proposed redetermined rate increase, United cites the contract provisions and states that the

contract was negotiated at arm's-length. United further states that the increased price is in line with other prices in the area and is necessary to compensate United for increasing costs of development, operation and maintenance.

The increased rate and charge so proposed has not been shown to be justified, and may be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful.

The Commission finds: It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed change, and that Supplement Nos. 4 and 5 to United's FPC Gas Rate Schedule No. 22 be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed rate and charge contained in Supplement Nos. 4 and 5 to United's FPC Gas Rate Schedule No. 22.

(B) Pending such hearing and decision thereon, said supplements be and they hereby are suspended and the use thereof deferred until July 15, 1959, and thereafter until such further time as they are made effective in the manner prescribed by the Natural Gas Act.

(C) Neither the supplements hereby suspended nor the rate schedule sought to be altered thereby shall be changed until this proceeding has been disposed of, or until the period of suspension has expired, unless otherwise ordered by the Commission.

(D) Interested state commissions may participate as provided by §§ 1.8 and 1.37(f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37(f)).

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F.R. Doc. 59-1417; Filed, Feb. 16, 1959; 8:49 a.m.]

[Docket No. G-17797]

AUSTRAL OIL CO., INC., ET AL.[1]

Order for Hearing and Suspending Proposed Change in Rates

FEBRUARY 11, 1959.

Austral Oil Company, Inc. (Operator) et al. (Austral) on January 12, 1959, tendered for filing a proposed change in its presently effective rate schedule[2] for sales of natural gas subject to the jurisdiction of the Commission. The proposed change, which constitutes an increased rate and charge, is contained in the following designated filing:

Description: Notice of Change, undated.
Purchaser: Transcontinental Gas Pipe Line Corporation.
Rate schedule designation: Supplement No. 4 to Austral's FPC Gas Rate Schedule No. 1.
Effective date: February 12, 1959 (effective date is the first day after expiration of the required thirty days' notice).

In support of the proposed favored-nation rate increase, Austral cites the contract provisions therefor, the triggering rate[3] and states that the contract was negotiated at arm's length.

The increased rate and charge so proposed has not been shown to be justified, and may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed change, and that Supplement No. 4 to Austral's FPC Gas Rate Schedule No. 1 be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rate and charge contained in Supplement No. 4 to Austral's FPC Gas Rate Schedule No. 1.

(B) Pending such hearing and decision thereon, said supplement be and it is hereby suspended and the use thereof deferred until July 12, 1959, and until such further time as it is made effective in the manner prescribed by the Natural Gas Act.

(C) Neither the supplement hereby suspended nor the rate schedule sought to be altered thereby shall be changed until this proceeding has been disposed of or until the period of suspension has expired, unless otherwise ordered by the Commission.

(D) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F.R. Doc. 59-1418; Filed, Feb. 16, 1959; 8:49 a.m.]

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[1] On October 16, 1958, Austral filed notice of change of name from Austral Oil Exploration Company, Inc. (Operator) et al., to Austral Oil Company Incorporated.

[2] Present rate previously suspended and is in effect subject to refund in Docket No. G-15608 (Louisiana gathering tax increase).

[3] A new sale by Pan American Petroleum Corporation with authorization being granted in Docket No. G-16946.

[Docket No. G-11089]

MARINE GATHERING CO. AND COMMONWEALTH OIL CO.

Notice of Application and Date of Hearing

FEBRUARY 12, 1959.

Take notice that The Marine Gathering Company (Marine), and Commonwealth Oil Company (Commonwealth), with their principal place of business in Houston, Texas, filed on September 17, 1956, in Docket No. G-11089, a joint application for:

(1) Marine to abandon service to Tennessee Gas Transmission Company (Tennessee) from the Duval County Ranch Company (D.C.R.C.) and Foster Leases, located in the Hagist Ranch Field, Duval County, Texas, pursuant to section 7(b) of the Natural Gas Act, which service is covered by a gas sales contract between Ralph E. Fair, Inc., et al., as seller, and Tennessee, as buyer, dated April 18, 1949, as amended and ratified by Woodward and Company on December 1, 1950. This contract was originally filed with the Commission as The Marine Gathering Company FPC Gas Rate Schedule No. 3.

(2) Commonwealth to continue the above service to Tennessee, subject to the jurisdiction of the Commission, pursuant to section 7(c) of the Natural Gas Act, all as more fully represented in the application which is on file with the Commission and open to public inspection.

Marine states, by letter dated November 24, 1954, that it acquired through purchase the 0.111719 percent interest of Jack Woodward, Inc., in the D.C.R.C. Lease, and the 0.2 percent interest in the Foster Lease. Marine's share of gas from the wells involved is being sold to Tennessee by Ralph E. Fair, Operator.

Marine, by instrument dated September 19, 1955, sold the above leases, among others to Commonwealth. The effective date of assignment was September 1, 1955.

On July 9, 1956, Commonwealth filed a a notice of succession to Marine's FPC Gas Rate Schedule No. 3, as supplemented. On the basis thereof, said rate schedule has been redesignated as Commonwealth's FPC Gas Rate Schedule No. 2.

These related matters should be heard on a consolidated record and disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Comission's rules of practice and procedure, a hearing will be held on March 24, 1959 at 9:30 a.m., e.s.t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D.C., concerning the matters involved in and the issues presented by such application: *Provided, however,* That the Commission may, after a non-contested hearing, dis-

pose of the proceedings pursuant to the provisions of § 1.30(c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicants to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before March 12, 1959. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F.R. Doc. 59-1419; Filed, Feb. 16, 1959; 8:49 a.m.]

[Docket No. G-9520]

GULF OIL CORP. ET AL.

Order Instituting Rate Investigation and Granting Motion To Consolidate Proceedings

FEBRUARY 12, 1959.

In the matters of Gulf Oil Corporation, Docket Nos. G-9520, G-11106, G-11335, G-11442, G-11443, G-11444, G-11847, G-12315, G-12634, G-12955, G-12956, G-13495, G-13518, G-13519, G-13526, G-13581, G-13772, G-13841, G-13983, G-13984, G-14092, G-14262, G-14410, G-14416; Gulf Oil Corporation, Docket Nos. G-14929, G-15127, G-15169, G-16334, G-16657, G-16658, G-16660, G-16696, G-16902, G-17290; Gulf Oil Corporation, Docket No. G-8516; Gulf Oil Corporation (Operator) et al., Docket Nos. G-11851, G-13100, G-13494; Gulf Oil Corporation (Operator) et al., Docket Nos. G-16659, G-16730, G-16898, G-16959, G-16960; Gulf Oil Corporation, Docket No. G-17813.

The above-captioned proceedings involving Gulf Oil Corporation (Gulf), Docket Nos. G-9520 through G-14416, have been heretofore consolidated, with hearings now set to commence on February 17, 1959. On February 5, 1959, Gulf filed a motion to consolidate the following proceedings, all listed in the caption, with those proceedings previously consolidated, as referred to above; Docket Nos. G-14929 through G-17290.

All of the afore-mentioned proceedings involve increased rate proposals filed pursuant to the provisions of section 4 of the Natural Gas Act. Gulf states, in its motion to consolidate, that the evidence it proposes to present at the hearing commencing February 17, 1959, is on a company-wide basis, and would be in support of proposed increases in all dockets, those proposed to be consolidated as well as those now consolidated. Thus, Gulf concludes, consolidation would avoid duplication of effort and needless expense.

In view of the fact that suspension orders are outstanding with respect to a large number of sales by Gulf, raising the question of the lawfulness of the rates proposed by Gulf, it is appropriate that a rate investigation be instituted herein and be broad enough to cover all of Gulf's rates and charges for sales of gas, subject to the jurisdiction of the Commission. It appears that, upon the basis of data available to the Commission, the rates, charges, and classifications for or in connection with the sales or transportation of natural gas by Gulf, subject to the jurisdiction of the Commission, and the rules and regulations, practices, and contracts relating thereto may be unjust, unreasonable, unduly discriminatory, or preferential.

The Commission finds:

(1) Gulf Oil Corporation is an independent producer of natural gas and is a "natural-gas company" within the meaning of the Natural Gas Act, being engaged in the sale and delivery of natural gas in interstate commerce for resale for ultimate public consumption.

(2) It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that an investigation be instituted by the Commission, upon its own motion, into and concerning all rates, charges, or classifications demanded, observed, charged, or collected by Gulf Oil Corporation in connection with any transportation or sale of natural gas, subject to the jurisdiction of the Commission, and any rules, regulations, practices, or contracts affecting such rates, charges, or classifications.

The Commission orders:

(A) An investigation of Gulf Oil Corporation is hereby instituted under the provisions of the Natural Gas Act, particularly sections 5 and 15 thereof, for the purpose of enabling the Commission to determine whether, with respect to any transportation or sale of natural gas, subject to the jurisdiction of the Commission, made or proposed to be made by Gulf, any of the rates, charges, or classifications demanded, observed, charged, or collected, or any rules, regulations, practices, or contracts affecting such rates, charges, or classifications are unjust, unreasonable, unduly discriminatory, or preferential.

(B) If the Commission, after a hearing has been had, shall find with respect to Gulf that any of its rates, charges, classifications, rules, regulations, practices, or contracts, subject to the jurisdiction of the Commission, are unjust, unreasonable, unduly discriminatory, or preferential, the Commission will thereupon determine and fix by order or orders just and reasonable rates, charges, classifications, rules, regulations, practices, or contracts to be thereafter observed and in force.

(C) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by the Natural Gas Act, including particularly sections 4, 5, 14, 15, and 16 thereof, and the Commission's rules and regulations (18 CFR Ch. I), the proceedings in the above-designated Docket Nos. G-9520, G-11106, G-11335, G-11442, G-11443, G-11444, G-11847, G-12315, G-12634, G-12955, G-12956, G-13495, G-13518, G-13519, G-13526, G-13581, G-13772, G-13841, G-13983, G-13984, G-14092, G-14262, G-14410, G-14416, G-14929, G-15127, G-15169, G-16334, G-16657, G-16658, G-16660, G-16696, G-16902, G-12790, G-8516, G-11851, G-13100, G-13494, G-16659, G-16730, G-16898, G-16959 and G-16960, and the rate investigation proceeding hereby instituted in Docket No. G-17813, are hereby consolidated for the purpose of hearing.

(D) The public hearing heretofore scheduled to commence on February 17, 1959, at 10:00 a.m., e.s.t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D.C., shall concern the matters involved and the issues presented in the consolidated proceedings designated in paragraph (C) above.

(E) When the said hearing commences on February 17, 1959, Gulf Oil Corporation shall go forward first and complete the presentation of evidence in its direct cases in these consolidated proceedings. The presiding examiner shall thereafter proceed as may be found appropriate under the Commission's rules of practice and procedure.

(F) Interested State commissions may participate as provided by §§ 1.8 and 1.37(f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37(f)).

By the Commission (Commissioner Hussey not participating).

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F.R. Doc. 59-1421; Filed, Feb. 16, 1959; 8:49 a.m.]

[Docket No. E-6836]

ALABAMA POWER CO. ET AL.

Order Granting Application for Oral Argument

FEBRUARY 12, 1959.

Application for oral argument was filed on January 30, 1959, by counsel appearing generally for 62 of the Respondents in the above designated proceeding and specially for 5 of such Respondents and on February 5, 1959, Counsel for Southwestern Electric Power Company, one of the other Respondents, also requested oral argument in this proceeding and the opportunity to participate therein.

Specifically applicants request an opportunity to present to the Commission, by oral argument, the reasons for challenging the evidentiary ruling of the Presiding Examiner made at the hearing in the above-entitled matter held on January 6, 1959.

The Commission finds: It is desirable and in the public interest to grant oral argument as hereinafter provided.

The Commission orders:

(A) Oral argument in this proceeding be held before the Commission on February 26, 1959, at 10:00 a.m., e.s.t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington 25, D.C.

(B) Requests for time for presentation of oral argument should be filed with the

Secretary of the Federal Power Commission on or before February 19, 1959.

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F.R. Doc. 59-1420; Filed, Feb. 16, 1959; 8:49 a.m.]

INTERSTATE COMMERCE COMMISSION

[Notice 86]

MOTOR CARRIER TRANSFER PROCEEDINGS

FEBRUARY 12, 1959.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC 61769. By order of February 10, 1959, the Transfer Board approved the transfer to James E. Nichols, doing business as L. J. Nichols & Son, Newark, Delaware, of certificate in No. MC 21086, issued August 13, 1954, to L. J. Nichols and J. E. Nichols, a partnership, doing business as L. J. Nichols & Son, Newark, Delaware, authorizing the transportation of: *Piling, poles, timber, lumber, millwork, shingles, construction supplies and equipment, machinery, stacks, boilers,* and *articles requiring specialized handling and rigging because of size or weight,* between points in New Castle County, Del., on the one hand, and, on the other, all points in Delaware, New Jersey, and Maryland, and those in Pennsylvania east of the Susquehanna River. Franklin B. Blocksom, 133 Warrior Road, Drexel Hill, Pa., for applicants.

No. MC-FC 61787. By order of February 6, 1959, the Transfer Board approved the transfer to Acme Rigging Co., Inc., Irvington, New Jersey, of the operating rights in Certificate No. MC 4249, issued March 25, 1942, to Christen Hove, Plainfield, New Jersey, authorizing the transportation over irregular routes, of live trees, from points in New Jersey to New York, N.Y., and machinery, between Metuchen, Plainfield, Stirling, and Union, N.J., on the one hand, and, on the other, New York, N.Y. Benjamin L. Bendit, 1060 Broad Street, Newark 2, N.J., for applicants.

No. MC-FC 61853. By order of February 10, 1959, the Transfer Board approved the transfer to Kenneth I. Sauter, doing business as Sauter's Truck Service, The Dalles, Oregon, of the operating rights in Certificates Nos. MC 105016 Sub 1 and MC 105016 Sub 2, issued by the Commission November 10, 1944, and May 5, 1947, respectively, to L. M. Blackledge, Carson, Washington, authorizing the transportation, over irregular routes, of lumber between lumber mills and railheads in Skamania and Klickitat Counties, Wash., and from points in Skamania and Klickitat Counties, Wash., to points in eight specified counties in Oregon. Harry J. Hogan, 215 East Fourth Street, The Dalles, Oregon, for applicants.

No. MC-FC 61911. By order of February 6, 1959, the Transfer Board approved the transfer to William L. Holscher, Unadilla, Nebraska, of certificates in Nos. MC 89595, MC 89595 Sub 1, and MC 89595 Sub 2, issued January 8, 1944, March 15, 1943, and January 7, 1944, respectively to William Holscher, Unadilla, Nebraska, authorizing the transportation of coal, household goods, as defined by the Commission, emigrant movables, livestock, grain, seed, from, to, and between, specified points in Iowa, Nebraska, and Missouri.

[SEAL] HAROLD D. MCCOY, *Secretary.*

[F.R. Doc. 59-1382; Filed, Feb. 16, 1959; 8:46 a.m.]

GENERAL SERVICES ADMINISTRATION

[Delegation of Authority 296, Revised]

DISPOSAL OF WATER TREATMENT PLANT, 0.036 ACRE OF LAND AND BOOSTER PUMP STATION, AND 8-INCH WATER LINE SERVING THE FEDERAL REFORMATORY, EL RENO, OKLAHOMA

1. Pursuant to the authority vested in me by the provisions of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended (hereinafter referred to as "the Act"), authority is hereby delegated to dispose of one (1) Water Treatment Plant, 0.036 acre of land and one (1) Booster Pump Station, and 10,000 feet of 8-Inch Water Line serving the Federal Reformatory, El Reno, Oklahoma, by sale upon such terms as may be deemed advantageous to the United States. Provided, that in case of a negotiated disposal not less than the appraised fair market value shall be obtained.

2. The authority conferred herein shall be exercised in accordance with the Act and the Regulations of the General Services Administration issued pursuant thereto; except, however, that no screening of the property as required by GSA Reg. 2-IV-202.05 need be conducted, it having been determined that such screening among Federal agencies would accomplish no useful purpose, since the property subject to disposal hereunder serves and will continue to serve the Department of Justice installation.

3. The Attorney General shall submit to the appropriate Committees of Congress an explanatory statement of the type required by section 203(e) of the Act, as amended, in case of a negotiated disposal. A copy of each such statement shall be furnished to the General Services Administration.

4. The authority delegated herein may be redelegated to any officer or employee of the Department of Justice.

5. This delegation of authority shall be effective as of the date hereof. The prior delegation to the Attorney General dated July 12, 1957 (22 F.R. 5727) is hereby rescinded.

Dated: February 10, 1959.

FRANKLIN FLOETE, *Administrator.*

[F.R. Doc. 59-1375; Filed, Feb. 16, 1959; 8:45 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 811-744]

BARECO INVESTMENT CO.

Notice of Application for Order Declaring That Company Has Ceased To Be an Investment Company

FEBRUARY 10, 1959.

Notice is hereby given that Bareco Investment Company (Applicant), a registered, closed-end investment company, has filed an application pursuant to section 8(f) of the Investment Company Act of 1940 for an order of the Commission declaring that it has ceased to be an investment company.

The application states that Applicant was liquidated and dissolved pursuant to a plan for the sale of Applicant's assets to American Mutual Fund, Inc. (American) in exchange for shares of capital stock of American. Following the closing date (April 25, 1958) of the sale of assets, Applicant, a Delaware corporation, was formally dissolved by Certificate of Dissolution of the Secretary of the State of Delaware issued June 2, 1958.

Applicant further recites that 552,695 shares of its common stock were outstanding at the time of dissolution and that its shareholders numbered 3,410. Pursuant to the above-mentioned plan, Applicant's shareholders were to receive 515,448 shares of American capital stock or .932608 of a share for each share of Applicant's stock held. Cash was to be paid for fractional shares on the basis of $7.41 for a full share of American's capital stock. This plan was approved by the holders of more than two-thirds of Applicant's common stock (at its annual meeting on April 15, 1958) in compliance with the provisions of the laws of the State of Delaware. All expenses have been paid in connection with Applicant's dissolution and liquidation and Applicant has no additional unpaid liabilities.

At the date of this application, 17,458 shares of Applicant's common stock remained outstanding and The First National Bank of Tulsa, Oklahoma, held solely for distribution to Applicant's

stockholders, pursuant to an Agreement dated May 1, 1958, 16,282 shares of American's capital stock and cash in the amount $18,944.54.

Section 8(f) of the Act provides, in part, that whenever the Commission upon application finds that a registered investment company has ceased to be an investment company, it shall so declare by order and that upon the taking effect of such order the registration of such company shall cease to be in effect.

Notice is further given that any interested person may, not later than February 25, 1959 at 5:30 p.m., submit to the Commission in writing any facts bearing upon the desirability of a hearing on the matter and may request that a hearing be held, such request stating the nature of his interest, the reasons for such request and the issues, if any, of fact or law proposed to be controverted, or he may request that he be notified if the Commission should order a hearing thereon. Any such communication or request should be addressed: Secretary, Securies and Exchange Commission, 425 Second Street NW., Washington 25, D.C. At any time after said date, the application may be granted as provided in Rule N-5 of the rules and regulations promulgated under the Act.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 59-1384; Filed, Feb. 16, 1959; 8:46 a.m.]

[File No. 1-685]

BON AMI CO.

Order and Notice of Hearing

FEBRUARY 11, 1959.

I. The Bon Ami Company, (Bon Ami), a Delaware corporation (organized in 1915) engaged in the manufacture and sale of household cleansers, has 90,000 shares of Class A common and 200,000 shares of Blass B common stock outstanding. The Class A common stock, listed on the New York Stock Exchange since December, 1926 was registered on that Exchange on July 1, 1935, and the Class B common stock was listed and registered on that Exchange on July 16, 1935. Both were registered with this Commission pursuant to an application on Form 10 filed under sections 12(b) and (c) of the Securities Exchange Act of 1934 and the certification of said Exchange filed under section 12(d) of the said Act.

On June 10, 1958, the Commission authorized the Division of Corporation Finance to conduct a private investigation to determine the adequacy and accuracy of reports required to be filed by the Bon Ami Company pursuant to section 13 of the Securities Exchange Act of 1934, and to determine whether all such required reports had in fact been filed.

On June 16, 1958, the New York Stock Exchange suspended trading in the Class A and B stocks of the Bon Ami Company because the market value of such stocks and the company's immediately past and current earnings failed to meet the Exchange standards for continued listing and trading of such securities through its facilities. On September 17, 1958, said Exchange filed an application with the Commission pursuant to section 12(d) of the Securities Exchange Act of 1934 and Rules X-12-D-2(1)-(b) promulgated thereunder to strike the Class A and B stocks of the Bon Ami Company from listing and registration thereon. The staff has reported to the Commission information which tends to show that the Company has failed to file or has filed inadequate reports pursuant to section 13 of the Securities Exchange Act of 1934. These deficiencies and inadequacies are set forth in the succeeding sections of this order.

II. *Failure to report acquisition of control of Bon Ami by United Dye and Chemical Corporation and others.* On May 1, 1956, United Dye and Chemical (UDY) purchased 63,000 shares of Class B common stock of Bon Ami from Nathan Cummings, Arthur Rosenberg and others at a price of $27 a share, or an aggregate price of $1,701,000. At that date the book value of these shares was $13 while the market price was $13.50. The 63,000 shares constituted approximately 22 percent of all the outstanding stock. Two members of the selling group, Cummings and Rosenberg, agreed to resign from the board of directors of Bon Ami and have Alexander Guterma and Virgil Dardi (respectively chairman of the board and president of UDY) elected in their place. Contemporaneously with the sale, Guterma and Dardi became directors and, respectively, chairman of the board and chairman of the executive committee of Bon Ami. Thereafter the board was composed exclusively of Guterma-Dardi designees. On May 16, 1956, UDY purchased an additional 25,000 shares of Class B stock for $424,187.50, thereby increasing its ownership in outstanding Bon Ami stock to approximately 30 percent.

Registrant failed to file a Form 8-K report with the Commission as required by section 13 of the Securities Exchange Act of 1934 with respect to this transfer of control, setting forth the name of the persons who assumed control i.e., UDY and the persons who then controlled it; the names of those who relinquished such control; and a brief description of the transaction, including a statement as to the resignations of Cummings and Rosenberg as directors and the election of Dardi and Guterma as officers and directors and the percentage of voting securities of Bon Ami owned by the new controlling persons and the price paid for such securities and the relationship of this price to the quoted price of such securities.

III. *Failure to report certain transactions between Bon Ami and its controlling persons.* On May 1, 1956, the same day that UDY purchased control of Bon Ami, control of UDY was in a group of individuals, including Alexander Guterma, Samuel S. Garfield, Irving Pasternak, Allard Roen and Allen K. Swann, through their acquisition of approximately 68.8 percent of the outstanding common stock of UDY.

1. Between May 7, and May 15, 1956, Bon Ami and a wholly owned subsidiary made loans totaling $860,000 to Samuel S. Garfield. These loans were repaid, with interest on May 24, 1956. In the Bon Ami Form 10-K report for the fiscal year ending December 31, 1954, the company failed to give the information required by Item 9 in respect of these loans.

2. On May 15, 1956, Bon Ami purchased $1,250,000 principal amount of Diversified Oil and Mining Company (DOM) debentures. Guterma, who had been chairman of the board of DOM until May 2, 1956, owned, with Garfield, Pasternak, Swann and Roen a total of approximately 42.6 percent of DOM stock. One million dollars of the proceeds of the debentures were used by DOM to purchase properties owned almost entirely by Garfield and Pasternak, and which had been purchased by them for $953,212. $10,000 was paid as a fee to a company wholly owned by Swann. These debentures were sold by Bon Ami on December 13, 1956, for $1,258,630.14. Bon Ami has failed to file a Form 8-K report as required by section 13 of the Securities Exchange Act of 1934 setting forth the information required by Item 2 in respect of this purchase and sale. In the Bon Ami Form 10-K report for the fiscal year ending December 31, 1956, the company failed to give the information required by Item 9 in respect of the interest of officers and directors of Bon Ami in this purchase and sale of debentures.

IV. *Failure to report purchase and sale of control of First National Bank of Greenport.* On August 23, 1956, Bon Ami purchased 678 shares of the stock (67.8 percent of the outstanding stock) of the First National Bank of Greenport, Long Island for $524,600. The purchase was pursuant to what appears to be an informal agreement with Security National Bank of Huntington, Long Island to purchase the shares from Bon Ami if expected permissive legislation was adopted and any necessary governmental consent was obtained. The legislation was not adopted and some time prior to May 7, 1957, the shares of First National were sold for $500,000. Bon Ami has failed to file Form 8-K reports with respect to this purchase and sale of First National stock.

The Sale of TV Spot Time by Chatham Corporation to Bon Ami. The Bon Ami Company, in the operation of its business, engages in television advertising of its products. In the spring of 1957 it was seeking to acquire approximately five million dollars of television spot time at prices at a discount from the rates quoted by television stations, rates known in the industry as "end card" rates. End card rate is the maximum discounted rate for TV time allowable under a station's rate card. At end card rate, the amount of time received per dollar varies with the amount of time purchased and with the period through which the purchased time runs. For this purpose, Guterma and Dardi, as Chairman of the Board and President respectively of the Bon Ami Company, entered into negotiations with one Matthew Fox, who apparently had available large quantities of spot time for sale at substantial

discounts from end card rates. In March of 1957, in connection with the proposed procurement of TV spot time at a discount from end card rates from Matthew Fox or companies with which he was affiliated, Bon Ami advanced $115,000 to Fox, evidenced by a promissory note signed by Fox. This obligation of Fox was secured by a letter agreement of Guild Films Incorporated dated April 2, 1957, wherein Guild agreed to supply $350,000 of spot time at end card rates to the Bon Ami Company in the event Fox defaulted upon the note.

On or about May 2, 1957 Fox defaulted upon his note. The Bon Ami Company, on or about May 2, 1957, at the suggestion of Guterma sold the defaulted note of Fox to Commercial Fidelity Corporation (the name was subsequently changed to Comficor, Inc., and hereinafter referred to as Comficor) for $117,000; the face amount of the note plus accrued unpaid interest. The collateral (the Guild Films letter agreement) was transferred to Comficor by Bon Ami concurrently with the transfer of the note.

The information available indicates that Guterma was the holder of all the outstanding subordinated notes of Comficor and that he, in fact, dominated and controlled Comficor. In addition, it appears that Guterma had agreed with Commercial Fidelity to save it harmless from any loss on such note in return for which he acquired the right at any time to reacquir the Fox note from Comficor together with the collateral securing such note.

On May 7, 1957, Guterma resigned as an officer and director of both the Bon Ami Company and United Dye and Chemical Corporation. On the same day, Guterma sold to Dardi 43,000 shares of common stock of UDY at a price of $7 a share taking in payment therefor, a note from Dardi. This note has not yet been paid.

Between May 3 and May 10, 1957, Fox without further consideration caused the Guild Films obligation to furnish spot time to Bon Ami under the collateral agreement for the defaulted Fox note to be increased from $350,000 to $500,000 of TV time at end card rates. On May 10, 1957 Guild Films in a letter to Comficor recognized that the $500,000 of TV time ran to Comficor.

On May 13, 1957, Bon Ami transferred $351,040.41 to Comficor. On May 14, 1957, Bon Ami advanced $305,000 to Comficor. Sometime between May 7 and June 20, 1957 Bon Ami advanced $151,234.90 to Chatham Corporation, a company wholly-owned by Guterma and his family.

On or about June 20, 1957, Chatham Corporation acquired from Guild Films an additional $750,000 of spot time at end card rates in consideration of the payment of $200,000 in cash and the transfer of certain rights for the foreign television and theatrical exhibition of certain motion pictures. These motion picture rights transferred by Chatham to Guild had been acquired by Chatham from certain foreign interests represented by one Sartiris Fassoulis whose other connections with Guterma will be described later in this order.

On June 20, 1957, Comficor transferred to Chatham Corporation the Fox note and the obligation of the Guild Films Company for $500,000 of the television spot time at end card rates. On the same day, Chatham Corporation transferred to Bon Ami this $500,000 of spot time plus the $750,000 of spot time at end card rates which Chatham had acquired from Guild Films or an aggregate of $1,250,000 of spot time at end card rates. Bon Ami paid a total of $830,000 for this aggregate of $1,250,000 of spot time. Five hundred thousand dollars of this sum was paid by the transfer of $351,040.41 from Comficor to Chatham for the account of the Bon Ami Company and by the application to the contract of the $151,234.90 previously advanced to Chatham.

The record indicates that the Chatham Corporation derived a substantial profit in this transaction.

At the time of the consumation of the transaction, Guterma was a substantial creditor of Dardi then a controlling person and a director and officer of UDY which in turn controlled the Bon Ami Corporation of which Dardi was then a director and president.

Bon Ami failed to file a current report on Form 8–K setting forth the sale of the Fox note and the attendant collateral obligation of Guild Films to Comficor and the Chatham contract with Bon Ami, as required by Item 2. Such reports in particular, should have disclosed the identity of the persons affiliated with the transactions and their relationship to Bon Ami, particularly the identity, relationship and interests of Guterma.

The annual report on Form 10–K filed for the fiscal year ending December 31, 1957 was incomplete in that the answer to Item 9 failed to disclose the sale of the Fox note and its collateral obligation to Comficor and Guterma, as well as the cost to Chatham and Guterma of the aggregate TV time transferred by Chatham to Bon Ami and that Guterma and his family owned Chatham.

VI. *Deficiencies in report on Form 8–K with respect to transfer of control of the Bon Ami Company to Baltic Investment Corporation and Sartiris Fassoulis.* During the year 1956 UDY had pledged 90,000 shares of Bon Ami Class B stock with various domestic and foreign banks to secure loans aggregating $925,000. The proceeds of these loans were utilized to purchase Bon Ami stock and for working capital. In some cases these loans of UDY secured by the Bon Ami stock were also personally guaranteed by Dardi and Guterma. The working capital position of UDY substantially deteriorated. Moreover during this period the earnings of the Bon Ami Company were also declining. By December 31, 1956 there was a substantial deficit in the working capital of Bon Ami. By May 1957, in order to obtain additional working capital, UDY was obliged to pledge all of its major assets, including a secondary pledge of the Bon Ami stock, for a loan of $275,000 from the Reldan Trading Company at an interest rate of 2 percent per month. In addition Dardi and Guterma were required to guarantee the payment of the Reldan loan.

On May 7, 1957 Guterma resigned as an officer and director of both UDY and the Bon Ami Company and on that date sold 43,000 shares of UDY stock to Dardi in consideration of Dardi's note in the amount of $301,000. Although Guterma severed his connection on May 7, 1957 as an officer and director of UDY and the Bon Ami Company, he still remained a guarantor of one or more of the notes of UDY secured by Bon Ami stock. He also was a creditor of Dardi, the then controlling person of UDY and the Bon Ami Company.

Prior to the summer of 1957 Fassoulis met Guterma. In June of 1957, Fassoulis, acting as agent for others, sold to Chatham Corporation certain rights to foreign exhibition of motion pictures. This transaction is more fully described in Section V "Sale of Television Spot Time to Bon Ami by Chatham Corporation" of this order.

Early in 1955 Fassoulis and certain of his associates acquired the stock of Icthyan Associates, S.A. Shortly thereafter Icthyan Associates acquired from Matthew Fox or companies affiliated with him rights to television and/or theatrical exhibition of certain motion pictures, outside the United States, Canada and Alaska, for varying periods of time. These motion picture rights, hereinafter referred to as the "Icthyan Package", were acquired by Icthyan from Fox for approximately $360,000. Between 1955 and 1957 all of the stock of Icthyan Associates had been transferred to a creditor of Fassoulis to secure indebtedness. Fassoulis, however, continued to control and dominate Icthyan Associates. In June 1957 Fassoulis induced one Nelson Hause to purchase the stock of Icthyan Associates from the aforesaid creditor. On the same date Hause gave Financial Consultants the right to purchase the said stock for $133,000 to be paid in installments. This sum was in excess of the amount Hause paid to obtain the Icthyan stock. Financial Consultants was and is a company controlled and 75 percent owned by Fassoulis and his wife.

Sometime during the late spring and summer of 1957 Fassoulis and Guterma negotiated for the sale by UDY of the stock of Bon Ami to Fassoulis. One of Fassoulis' purposes in obtaining control of Bon Ami was to aid Bon Ami in obtaining TV spot time by the sale to Bon Ami of the Icthyan Package which Bon Ami in turn could then use to barter for television time. Even prior to the transfer of control of Bon Ami to a company controlled by Fassoulis, he commenced negotiations with Guild Films for the barter of the Icthyan Package by Bon Ami to Guild Films for TV spot time.

In order to conceal his identity as the real purchaser of the Bon Ami stock, Fassoulis and an associate, Howard Lawn, caused a company called Baltic Investment Corporation to be formed and caused one Jack Breakstone, then a registered representative at McLaughlin, Cryan & Company, a member house of the New York Stock Exchange, and

one Walter Birge, then a registered representative at Bache & Company, another member house, to "front" for Fassoulis and Lawn by acting as the ostensible officers, directors and stockholders of Baltic Investment Corporation. Thereafter, Breakstone and Birge acted for Fassoulis and Lawn in the negotiations for the purchase of Bon Ami stock.

On August 20, 1957 an agreement was concluded whereby UDY sold to the Baltic Investment Corporation the 90,000 shares of Bon Ami Class B stock for a total consideration of $1,700,000 to be paid as follows:

1. Baltic agreed to assume and obtain the release of UDY from liability on bank loans of UDY then outstanding in the amount of $975,000. Part of these loans had been guaranteed by Guterma and Dardi. However, in the transaction as consummated only Dardi was relieved of his guarantee.

2. The payment by Baltic Investment Corporation of $725,000 in cash to UDY. At this time Baltic Investment Corporation had assets not in excess of $180,000 in cash, all of which had been obtained as loans from Financial Consultants and others. Fassoulis and his wife controlled Financial Consultants, Inc. Prior to the date fixed for the closing of the sale of the Bon Ami stock, Fassoulis informed Guterma that Baltic had been unable to obtain from any banks or lending institutions in the United States the additional approximately $545,000 in cash necessary to fulfill the cash requirements of its agreement with UDY for the purchase of Bon Ami stock.

Fassoulis also had informed Guterma that he attempted to obtain the funds from the Banque de Depots, Geneva, Switzerland without success. Dardi and Guterma then entered into an arrangement with the Banque de Depots whereby the Banque de Depots agreed to advance $275,000 to Baltic Investment Corporation for a $30,000 fee, and to loan Chatham Corporation (owned by Guterma), $300,000 in cash which Chatham would in turn loan to Baltic Investment Corporation through the Banque de Depots as the ostensible lender. The Banque de Depots, however, refused to make the $300,000 loan to Chatham Corporation without security. To provide this security UDY itself made a fixed deposit of $300,000 in cash with the Banque de Depots under a specific agreement that in the event of a default by Chatham, the Banque de Depots could appropriate the deposit in satisfaction of the loan to Chatham.

Thereafter the Bon Ami stock owned by UDY was conveyed to the Baltic Investment Corporation. Under an agreement which permitted the Baltic Investment Corporation to designate three nominees for the Board of Directors of the Bon Ami Company, Breakstone and Birge were elected to the Board of Directors of Bon Ami. In addition, Baltic agreed that the Bon Ami Company would retain and hire Dardi and Adams as officers of the Bon Ami Company under long-term contracts.

On or about September 16, 1957, Bon Ami filed on Form 8–K a report purporting to describe the transfer of control of the company by UDY to Baltic Investment Corporation. This report was deficient in that it did not describe all of the aspects of the transactions herein set forth. Particularly, it did not set forth the material interests of officers and directors of UDY and Bon Ami in the transaction, the fact that the actual control of Baltic Investment Corporation and therefore Bon Ami Company was in Fassoulis and Lawn, and the fact that UDY funds had been used to provide collateral to enable Guterma and Dardi to consummate the transfer of control to Fassoulis.

VII. *The Failure to report the purchase of the "Icthyan Package" by the Bon Ami Company on Form 8–K.* As described above in Section VI under the heading "Transfer of Control of Bon Ami to Baltic Investment Corporation" one of the aspects of the transfer of control was the contemplated sale of the "Icthyan Package" to Bon Ami. On or about August 20, 1957, Icthyan Associates, S.A. transferred to Bon Ami the so-called "Icthyan Package" for $1,150,000 in cash and an agreement that the first $173,000 of licensed fees on the exploitation of the pictures would accrue to Icthyan Associates. Contemporaneously Bon Ami agreed to purchase from Guild Films Company $6,200,000 of television spot time at end card rates, for a stated consideration of $3,600,000 payable as follows:

1. The Icthyan Package was transferred from Bon Ami to Guild Films which credited Bon Ami with $1,200,000 of the $3,600,000 aggregate purchase price of the spot time; and

2. Bon Ami agreed to pay $2,400,000 in cash in 60 monthly payments. The cash payment of $1,150,000 was made by Bon Ami to Icthyan Associates by a transfer of that amount to the credit of Icthyan Associates at the Banque de Depots in Geneva, Switzerland.

The Bon Ami Company has never filed any 8–K report in respect of its acquisition of the "Icthyan Package" setting forth, as required by Form 8–K, the principle upon which the consideration was agreed upon, the names of all the parties to the transaction and their material relationships to the Company. Nor has the company responded adequately to Item 9 of Form 10–K for the fiscal year ending December 31, 1957 in respect of this transaction.

VIII. *Failure to file Form 8–K with respect to transfers of ownership of Baltic's stock to Burno Corporation and Lea Fabrics, Inc.: both controlled by Sartiris Fassoulis.* Sometime between August 20, 1957 and September 1957 all of the outstanding stock of Baltic was sold to Burno Corporation for a consideration of $1 and an advance to Baltic of approximately $40,000. The Burno Corporation in which Howard Lawn had no interest was controlled by Sartiris Fassoulis. As a result of this sale of Baltic stock to Burno, Lawn ceased to have any participation in the control of Bon Ami.

On September 23, 1957 the shares of Baltic were sold by Burno to Lea Fabrics, Inc., a manufacturer of industrial carpeting, for a consideration of $1 and the alleged payment by Lea to Banque de Depots of the loan of $574,000 made to Baltic to enable it to purchase control of Bon Ami from UDY as hereinbefore fully described in Section VI.

Financial Consultants owned 18½ percent of the stock of Lea Fabrics, Inc. and controlled it. Fassoulis, through his wife, owns 75 percent of Financial Consultants and Fassoulis can purchase the remaining 25 percent of Financial Consultants at any time. Icthyan owns 40,000 shares of Lea Fabrics. Fassoulis in fact controlled and managed Icthyan.

Bon Ami has failed to file current reports on Form 8–K as required by Item 1 of Form 8–K disclosing the sales of Baltic stock to Burno, and then to Lea Fabrics and giving such details of the transactions as the names of those real parties in interest who in fact acquired control and those who ceased to have control of Bon Ami. The 10–K report filed by Bon Ami in the year ending December 31, 1957 was incomplete in that in the answers to Item 3 (requiring a statement of all parents of the company) Bon Ami failed to disclose that Lea Fabrics, Inc. owned all the stock of Baltic and that Fassoulis controlled Lea Fabrics, Inc.

IX. *Failure to report on Form 8–K cancellation of the August 1957 agreement between Bon Ami and Guild Films.* Subsequent to August 28, 1957 Bon Ami made three payments to Guild Films pursuant to the contract dated August 28, 1957 between Bon Ami and Guild (described in Section VII above) wherein Guild was to supply $6,200,000 of TV spot time at end card rates in return for the Icthyan Package and $2,400,000 in cash to be paid for in 60 monthly installments. On February 28, 1958 at a time when Bon Ami had failed to meet the January 1 and February 1 payments the aforesaid agreement was cancelled.

Under the terms of the cancellation agreement the payment of $120,000 already made by Bon Ami was considered payment for the $197,000 of TV spot time received from Guild by Bon Ami. In addition it was agreed that: (a) Bon Ami was to pay Guild $30,000 in cash immediately and $30,000 in 15 equal monthly installments; (b) the Icthyan Package was to be returned to Bon Ami; and (c) the June 20, 1957 contract wherein Guild was to supply Bon Ami with $1,250,000 of TV time at end card rates was to continue with certain modifications.

Bon Ami failed to file a Form 8–K Report with respect to the cancellation of the contract referred to above and thereby failed to disclose this acquisition and disposition of assets as required by Item 2 of said Form.

X. In view of the fact that the relief sought in the application filed by the New York Stock Exchange pursuant to section 12(d) of the Securities Exchange Act of 1934, and the relief sought by the institution of the proceeding pursuant to section 19(a)(2) of the Act are similar,

It is ordered, That a public hearing pursuant to sections 12(d) and 19(a)(2) of the Act, be held at 10:00 a.m., e.s.t., March 23, 1959 at the offices of the Commission, 425 Second Street NW., Wash-

ington, D.C., to determine whether it is necessary or appropriate for the protection of investors to suspend for a period not exceeding twelve months, or to withdraw, the registration of the common stocks of the registrant on the New York Stock Exchange for failure to comply with section 13 of the Act and the rules and regulations adopted thereunder and the rules of the New York Stock Exchange.

It is further ordered, That Robert N. Hislop is hereby designated and assigned as Hearing Officer in these proceedings and is authorized to exercise the powers and perform the duties specified in the rules of practice of the Commission and any other duties which he may be authorized to perform in accordance with law.

Notice of such hearing is hereby given to registrant, the New York Stock Exchange, and to any other person or persons whose participation in such proceedings may be necessary or appropriate in the public interest or for the protection of investors. Any such further persons desiring to be heard in such proceedings should file with the Hearing Officer or the Secretary of the Commission on or before March 18, 1959, his application therefor as provided by the rules of practice of the Commission, setting forth therein any of the above matters or issues of fact or law upon which he desires to be heard and any additional issues he deems raised by the aforementioned order.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 59-1385; Filed, Feb. 16, 1959; 8:47 a.m.]

[File No. 70-3757]

CENTRAL AND SOUTH WEST CORP. ET AL.

Notice of Filing of Application-Declaration Regarding Proposal To Issue Notes by Holding Company; Issue and Sale of Common Stock by Subsidiary and Acquisition by Holding Company

FEBRUARY 10, 1959.

In the matter of Central and South West Corporation, Central Power and Light Company, Southwestern Electric Power Company; File No. 70-3757.

Notice is hereby given that Central and South West Corporation ("Central"), a registered holding company, and two of its public-utility subsidiaries, Central Power and Light Company ("Power") and Southwestern Electric Power Company ("Southwestern"), have filed with this Commission a joint application-declaration pursuant to the Public Utility Holding Company Act of 1935 ("Act"); and have designated sections 6, 7, 9, 10 and 12(f) of the Act, and Rules 23, 43, 50 and 100 promulgated thereunder as applicable to the proposed transactions.

Central in accordance with a Loan Agreement to be dated February 27, 1959 proposes to borrow from the following banks the amounts indicated:

The First National Bank of Chicago	$2,400,000
Bankers Trust Company, New York, N.Y.	1,500,000
The Chase Manhattan Bank, New York, N.Y.	900,000
Harris Trust and Savings Bank, Chicago, Ill.	900,000
Bank of Delaware, Wilmington, Del.	300,000
	6,000,000

To evidence such borrowings Central will issue and sell, from time to time, during the period from March 2, 1959 to September 1, 1960, its unsecured promissory notes to mature on a date not more than 18 months from the date the first borrowings are made, which shall be before June 1, 1959. The notes will bear interest at the prime rate for commercial loans in effect at The First National Bank of Chicago on the date each such borrowing is made.

The Loan Agreement further provides that the company may prepay the notes in whole at any time or in part from time to time without premium or penalty, except that if any such prepayment is made directly or indirectly from the proceeds of any bank borrowings, other than from said banks, a premium equal to ½ of 1 percent of the amount so prepaid is payable.

Central states that it contemplates paying the notes at or prior to maturity out of proceeds of equity financing to be consummated sometime in 1960. The net proceeds from the proposed borrowing will be applied by Central to the purchase of additional shares of common stock of Power and Southwestern at the par value thereof aggregating $5,200,000. The balance of such proceeds, $800,000, will be used by Central for general corporate purposes.

Power and Southwestern, respectively, propose to issue and sell to Central, and Central proposes to acquire for cash, at the par value thereof, authorized and unissued shares of common stock as follows:

(a) Power, 320,000 shares, par value $10 per share, for $3,200,000 in March 1959.

(b) Southwestern, 200,000 shares, par value $10 per share, for $2,000,000 during the latter part of 1959.

Power and Southwestern will use the proceeds received from the issue and sale of their common stock to finance in part the cost of their construction programs.

The joint application-declaration states that no State or Federal commission, other than this Commission, has jurisdiction over the proposed transactions.

It is stated that the expenses to be incurred in connection with the proposed transactions are estimated at $7,300, including incidental and miscellaneous expenses of $1,500 to Central and $300 each to Power and Southwestern. A Federal original issue stamp tax expense of $3,200 and $2,000 will be incurred by Power and Southwestern, respectively. The fee for services of company counsel will be filed by amendment.

Notice is further given that any interested person may, not later than February 26, 1959, request in writing that a hearing be held in respect of such matters, stating the nature of his interest, the reasons for such request, and the issues of fact or law which he desires to controvert, or he may request that he be notified should the Commission order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D.C. At any time after such date the Commission may grant the application and permit the declaration to become effective, as provided by Rule 23 promulgated under the Act, or the Commission may grant exemption from its rules as provided by Rules 20(a) and 100 thereof, or take such other action as it may deem appropriate.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 59-1386; Filed, Feb. 16, 1959; 8:47 a.m.]

[File No. 70-3501]

PUBLIC SERVICE COMPANY OF OKLAHOMA

Notice of Filing of Supplemental Declaration Regarding Proposal To Guarantee Additional Bonds of Non-Affiliate

FEBRUARY 10, 1959.

Notice is hereby given that Public Service Company of Oklahoma ("Oklahoma"), a public utility subsidiary of Central and South West Corporation, a registered holding company, has filed a supplemental declaration, pursuant to the Public Utility Holding Company Act of 1935 ("Act"), regarding the proposed guaranty by Oklahoma of certain additional bonds to be issued by Transok Pipe Line Company ("Transok"), a non-affiliate intra-state natural gas pipe line company. The declaration designates section 7 of the Act as applicable to the proposed transaction by Oklahoma.

All interested persons are referred to the Supplemental declaration on file at the office of the Commission for a statement of the proposed transactions, the reason therefor, and the background thereof, which are summarized as follows:

By orders issued December 5, 1956 and March 1, 1957 (Holding Company Act Release Nos. 13328 and 13401), the Commission permitted a declaration, as amended, filed by Oklahoma, to become effective pursuant to section 7 of the Act. The declaration, as amended, related to a proposal by Oklahoma to enter into an amended gas fuel purchase contract with Transok which contract was determined by the Commission to constitute a guaranty by Oklahoma of the bonds issued and to be issued by Transok.

The amended gas fuel purchase contract, provided, among other things, (a) that upon the breach of any of the terms

thereof, Oklahoma, at the election of, and upon the demand of, the trustee under Transok's bond indenture, was obligated to pay to the trustee, 90 days after demand (or on such earlier date as Oklahoma designates by a 35-day notice), a sum equal to the unpaid principal of the bonds (as defined in the contract) of Transok then outstanding, plus all premiums and sums due on account of accrued interest to the date of payment; and (b) that, subject to its ability to make satisfactory financial arrangements, Transok is obligated, upon the request or approval of Oklahoma to construct such additional pipe lines and related facilities connecting the pipe line system with Oklahoma's electric generating stations, or with additional sources of gas supply, as might be necessary to enable Transok to supply the requirements of Oklahoma's electric generating stations.

At the time of the issuance of the December 5, 1956 order, Transok had constructed its main pipe line system in connection with which it had issued $13,500,000 principal amount of bonds. Subsequently, pursuant to the amended gas purchase contract and the terms of the indenture securing the bonds of Transok, Transok issued additional bonds in the aggregate principal amount of $4,000,000, which were, in accordance with permission granted by the above order of March 1, 1957, guaranteed by Oklahoma.

The instant supplemental declaration filed by Oklahoma states that Transok, with the consent of Oklahoma, contemplates the issuance and sale to three institutional investors, from time to time as funds are needed of an aggregate of $7,500,000 principal amount of additional bonds to bear interest at 4⅞ percent per annum from date of issuance with a commitment fee of ½ of 1 percent on the unused commitment, to provide funds for the construction of an extension of the pipe line to connect with Oklahoma's Oolagah generating station, and for the construction of additional gathering and compressing facilities.

The supplemental declaration states that no legal fees will be paid by Oklahoma in connection with the proposed transaction. Accounting services are estimated at $1,500 and $200 are estimated by the company for miscellaneous expenses.

The supplemental declaration further states that no State or Federal commission, other than this Commission, has jurisdiction over the proposed transactions.

Notice is further given that any interested person may, not later than February 25, 1959, request in writing that a hearing be held in respect of such matters, stating the nature of his interest, the reasons for such request, and the issues of fact or law which he desires to controvert, or he may request that he be notified if the Commission orders a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D.C. At any time after said date the Commission may permit the supplemental declaration, as filed or as it may be amended, to become effective as provided in Rule 23 of the rules and regulations promulgated under the Act, or the Commission may grant exemption from its rules as provided in Rules 20(a) and 100 thereof, or take such other action as it deems appropriate.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 59-1387; Filed, Feb. 16, 1959; 8:47 a.m.]

[File No. 70-3759]

PUBLIC SERVICE COMPANY OF OKLAHOMA

Notice of Filing of Declaration Regarding Proposal To Issue Notes To Banks

FEBRUARY 10, 1959.

Notice is hereby given that Public Service Company of Oklahoma ("Oklahoma"), a public-utility subsidiary of Central and South West Corporation, a registered holding company, has filed with this Commission a declaration, pursuant to the Public Utility Holding Company Act of 1935 ("Act"), regarding a proposal to effect borrowings from commercial banks. The declaration specifies sections 6(a) and 7 of the Act and Rule 50(a)(2) promulgated thereunder as applicable to the proposed transactions.

All interested persons are referred to the declaration on file at the office of the Commission for a statement of the transactions therein proposed, which are summarized as follows:

Pursuant to a letter agreement dated February 4, 1959, Oklahoma proposes to borrow, from time to time, as required, during the 12-month period beginning with the date of the first borrowing which shall be not later than June 1, 1959, an aggregate of not to exceed $7,000,000, pro rata, from the commercial banks and in the amounts stated opposite the names of the banks as follows:

The First National Bank of Chicago (Chicago, Ill.)	$2,100,000
Bankers Trust Company (New York, N.Y.)	1,400,000
The First National Bank and Trust Company of Tulsa (Tulsa, Oklahoma)	1,400,000
Harris Trust and Savings Bank (Chicago, Ill.)	1,050,000
National Bank of Tulsa (Tulsa, Oklahoma)	875,000
First National Bank in Bartlesville (Bartlesville, Okla.)	175,000
	7,000,000

The borrowings are to be evidenced by unsecured promissory notes, maturing not later than one year from the date of issuance thereof, bearing interest at the prime rate in effect at the First National Bank of Chicago on the date of the borrowing. Said notes may be prepaid in whole or in part at any time without premium. The proceeds from the borrowings will be used to finance in part Oklahoma's construction expenditures during 1959 estimated at an aggregate of $20,360,000. It is contemplated that the first borrowing will be made early in March, 1959, and that the notes will be paid at or prior to maturity out of the proceeds of the issuance and sale of such securities by the company as may be considered appropriate in the light of the market conditions existing at the time, and as may be approved by the Commission to the extent required.

The declaration states that no fees or commissions, other than fees for services of company counsel which is to be filed by amendment, are to be paid by the company in connection with the proposed transactions, that the other expenses to be incurred will be nominal, and that no federal commission, other than this Commission, and no State commission has jurisdiction over the proposed transactions.

Notice is further given that any interested person may not later than February 26, 1959, request in writing that a hearing be held in respect of the declaration, stating the nature of his interest, the reasons for such request, and issues of fact or law which he desires to controvert, or he may request that he be notified should the Commission order a hearing in respect thereof. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D.C. At any time after said date the Commission may permit the declaration, as filed or as it may be amended, to become effective, as provided in Rule 23 under the Act, or the Commission may grant exemption from its rules, as provided in Rules 20(a) and 100 thereof, or take such other action as it deems appropriate.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 59-1388; Filed, Feb. 16, 1959; 8:47 a.m.]

[File No. 70-3758]

WEST TEXAS UTILITIES CO.

Notice of Filing of Declaration Regarding Issue and Sale of Short-Term Notes to Banks

FEBRUARY 10, 1959.

Notice is hereby given that West Texas Utilities Company ("West Texas"), a public-utility subsidiary of Central and South West Corporation, a registered holding company, has filed a declaration pursuant to the Public Utility Holding Company Act of 1935 ("Act"), designating sections 6 and 7 thereof as applicable to the proposed transactions, which are summarized as follows:

Pursuant to a letter agreement dated February 4, 1959, West Texas proposes to issue and sell not exceeding $4,000,000 principal amount of its promissory notes from time to time after March 1, 1959 to the following banks in the maximum amounts indicated:

Bank	Maximum amount
The First National Bank of Chicago (Chicago, Ill.)	$1,000,000
Bankers Trust Company (New York, N.Y.)	1,000,000
First National Bank in Dallas (Dallas, Tex.)	250,000
The Fort Worth National Bank (Fort Worth, Tex.)	250,000
Citizens National Bank in Abilene (Abilene, Tex.)	250,000
First National Bank of Abilene (Abilene, Tex.)	250,000
The First State Bank (Abilene, Tex.)	150,000
San Angelo National Bank (San Angelo, Tex.)	125,000
Central National Bank (San Angelo, Tex.)	75,000
First National Bank (San Angelo, Tex.)	50,000
	4,000,000

The promissory notes will be dated when issued, will mature not later than one year from the date of the first borrowings, and will bear interest to maturity at the prime rate of interest in effect for commercial loans at The First National Bank of Chicago on the date of each such borrowing. Said notes may be prepaid in whole or in part at any time without premium or penalty. Each borrowing and prepayment will be in the ratio that the total commitment of each bank bears to the aggregate of all commitments.

The borrowings will be made and the proceeds used by West Texas from time to time as required to finance part of its construction expenditures, the total amount of which is estimated at about $7,900,000. The company proposes to retire all of the short-term notes herein to be authorized out of the net proceeds of such further securities as it may consider appropriate in the light of market conditions and as the Commission may approve.

The expenses to be incurred by the company are estimated at approximately $400, not including the fee of counsel (Stevenson, Dendtler, Bailey & McCabe) which is to be shown by amendment. No other regulatory commission has jurisdiction over the proposed transactions.

Notice is further given that any interested person may, not later than February 26, 1959 at 5:30 p.m., request the Commission in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law, if any, raised by said declaration which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D.C. At any time after said date the declaration, as filed or as amended, may be permitted to become effective as provided in Rule 23 of the rules and regulations promulgated under the Act; or the Commission may exempt such transactions as provided in Rules 20(a) and 100 thereof, or take such other action as it may deem appropriate under the circumstances.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 59-1389; Filed, Feb. 16, 1959; 8:47 a.m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

[Vesting Order SA-265]

BRITISH AND HUNGARIAN BANK LTD.

In re: Debt or other obligation owned by British and Hungarian Bank Limited, Budapest, Hungary; F-34-223.

Under the authority of Title II of the International Claims Settlement Act of 1949, as amended (69 Stat. 562), Executive Order 10644, November 7, 1955 (20 F.R. 8363), Department of Justice Order No. 106-55, November 23, 1955 (20 F.R. 8993), and pursuant to law, after investigation, it is hereby found and determined:

1. That the property described as follows: That certain debt or other obligation of The Chase Manhattan Bank, 18 Pine Street, New York 15, New York, in the sum of $3,828.13, arising out of a blocked account in the name of Hollandsche Bank-Unie N.V., Amsterdam, The Netherlands, together with any and all accruals thereto and any and all rights to demand, enforce and collect the same, is property within the United States which was blocked in accordance with Executive Order 8389, as amended and remained blocked on August 9, 1955, and which is and as of September 15, 1947, was owned directly or indirectly by British and Hungarian Bank Limited, Budapest, Hungary, a national of Hungary as defined in said Executive Order 8389, as amended.

2. That the property described herein is not owned directly by a natural person.

There is hereby vested in the Attorney General of the United States the property described above, to be administered, sold, or otherwise liquidated, in accordance with the provisions of Title II of the International Claims Settlement Act of 1949, as amended.

It is hereby required that the property described above be paid, conveyed, transferred, assigned and delivered to or for the account of the Attorney General of the United States in accordance with directions and instructions issued by or for the Assistant Attorney General, Director, Office of Alien Property, Department of Justice.

The foregoing requirement and any supplement thereto shall be deemed instructions or directions issued under Title II of the International Claims Settlement Act of 1949, as amended. Attention is directed to section 205 of said Title II (69 Stat. 562) which provides that:

> Any payment, conveyance, transfer, assignment, or delivery of property made to the President or his designee pursuant to this title, or any rule, regulation, instruction, or direction issued under this title, shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same; and no person shall be held liable in any court for or in respect of any such payment, conveyance, transfer, assignment, or delivery made in good faith in pursuance of and in reliance on the provisions of this title, or of any rule, regulation, instruction, or direction issued thereunder.

Executed at Washington, D.C., on February 11, 1959.

For the Attorney General.

[SEAL] DALLAS S. TOWNSEND, *Assistant Attorney General, Director, Office of Alien Property.*

[F.R. Doc. 59-1400; Filed, Feb. 16, 1959; 8:48 a.m.]

CUMULATIVE CODIFICATION GUIDE—FEBRUARY

A numerical list of the parts of the Code of Federal Regulations affected by documents published to date during February. Proposed rules, as opposed to final actions, are identified as such.

3 CFR

	Page
Proclamations:	
1255	843
3272	843
3273	843
3274	845
3275	937
Executive orders:	
Feb. 26, 1852	843
Dec. 12, 1917	972
8065	972
8102	947
8319	972
9085	971
9721	1147

3 CFR—Continued

	Page
10103	1147
10159	845
10774	1147
10803	845
10804	1147

5 CFR

	Page
6	723, 846, 937, 1077, 1121
325	937

6 CFR

	Page
10	845
331	723, 1077
365	753
446	1152

7 CFR

	Page
51	961
52	1087
301	877, 879
723	725
728	726, 756
868	997
914	726, 756, 939, 965, 1147, 1149
933	1149, 1150
938	757
953	939, 1151
955	940
969	1152
970	940
1003	1175